Manitoba
Finance

Financial Statements of Boards, Commissions and Government Agencies

of the Province of Manitoba

for the Year Ended 31st March, 1987

Office of the Queen's Printer for the Province of Manitoba, 1987
WINNIPEG

GOVERNMENT OF THE PROVINCE OF MANITOBA

CONTENTS

ORGANIZATION	FISCAL YEAR ENDED	PAGE NO.
A.E. McKenzie Co. Ltd.	October 31, 1986	5
Alcoholism Foundation of Manitoba, The	March 31, 1987	17
Alonsa Conservation District #3, The	March 31, 1987	23
Board of Administration Under The Embalmers and Funeral Directors Act, The	December 31, 1986	27
Brandon University	March 31, 1987	31
Brandon University Retirement Plan	December 31, 1986	73
Channel Area Loggers Ltd.	March 31, 1987	79
Civil Service Superannuation Fund, The	December 31, 1986	89
Communities Economic Development Fund	March 31, 1987	107
Cooks Creek Conservation District #5, The	March 31, 1987	117
Co-operative Loans and Loans Guarantee Board, The	March 31, 1987	123
Co-operative Promotion Board, The	March 31, 1987	127
Criminal Injuries Compensation Board, The	March 31, 1987	133
Leaf Rapids Town Properties Ltd.	March 31, 1987	137
Le Centre Culturel Franco-Manitobain	March 31, 1987	147
Legal Aid Services Society of Manitoba, The	March 31, 1987	165
Liquor Control Commission, The	March 31, 1987	175
Manfor Ltd.	December 31, 1986	183
Manitoba Agricultural Credit Corporation, The	March 31, 1987	195
Manitoba Arts Council	March 31, 1987	215
Manitoba Beef Commission	March 31, 1987	227
Manitoba Boxing and Wrestling Commission	March 31, 1987	237
Manitoba Centennial Centre Corporation, The	March 31, 1987	243
Manitoba Crop Insurance Corporation, The	March 31, 1987	255
Manitoba Data Services	March 31, 1987	265
Manitoba Development Corporation	March 31, 1987	275
Manitoba Energy Authority, The	March 31, 1987	291
Manitoba Habitat Heritage Corporation, The	March 31, 1987	299
Manitoba Health Research Council, The	March 31, 1987	303
Manitoba Health Services Commission	March 31, 1987	309
Horse Racing Commission, The	March 31, 1987	321
Manitoba Hospital Capital Financing Authority, The	March 31, 1987	329
Manitoba Housing and Renewal Corporation, The	March 31, 1987	335
Manitoba Hydro-Electric Board, The	March 31, 1987	355
Manitoba Intercultural Council, The	March 31, 1987	367
Manitoba Lotteries Foundation, The	March 31, 1987	375
Manitoba Mental Health Research Foundation, The	March 31, 1987	395
Manitoba Milk Prices Review Commission, The	March 31, 1987	401
Manitoba Mineral Resources Ltd.	December 31, 1986	405
Manitoba Oil and Gas Corporation, The	December 31, 1986	415
Manitoba Potash Corporation Joint Venture, The	December 31, 1986	423
Manitoba Properties Inc.	January 31, 1987	425
Manitoba Properties Leasing Inc.	December 31, 1986	433
Manitoba Properties Management Inc.	December 31, 1986	439
Manitoba Public Insurance Corporation, The	October 31, 1986	445
Manitoba Research Council, The	March 31, 1987	461
Manitoba Telephone System, The	March 31, 1987	467
Manitoba Trading Corporation, The	March 31, 1987	477
Manitoba Vegetable Producers' Marketing Board, The	June 30, 1986	481
Manitoba Water Services Board, The	March 31, 1987	491
Moose Lake Loggers Ltd.	March 31, 1987	509
Public Schools Finance Board, The	December 31, 1986	519
Public Service Group Insurance Fund, The	April 30, 1986	529
Public Trustee of Manitoba, The	March 31, 1987	545
Teachers' Retirement Allowances Fund, The	December 31, 1986	553
Turtle Mountain Conservation District #4	March 31, 1987	563
Turtle River Watershed Conservation District #2	March 31, 1987	571
Universities Grants Commission, The	March 31, 1987	579
University of Manitoba, The	March 31, 1987	585
University of Manitoba Pension Plan (1970), The	December 31, 1986	647
University of Manitoba Research Ltd	March 31, 1987	659
University of Winnipeg, The	March 31, 1987	665
University of Winnipeg Pension Plan	December 31, 1986	693
Venture Manitoba Tours Ltd.	March 31, 1987	699
Whitemud Watershed Conservation District, The	March 31, 1987	709
Workers Compensation Board Manitoba, The	December 31, 1986	723
Workplace Innovation Centre, The	March 31, 1987	733

ARTHUR ANDERSEN & CO.
CHARTERED ACCOUNTANTS

1400 RUPERTSLAND SQUARE
444 ST. MARY AVENUE
WINNIPEG, R3C 3T1
(204) 942-6541

To The Shareholders of
A.E. McKenzie Co. Ltd.:

We have examined the consolidated balance sheets of A.E. McKENZIE CO. LTD. (a Manitoba Crown Corporation) as at October 31, 1986 and 1985 and the related consolidated statements of operations, deficit and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at October 31, 1986 and 1985 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Arthur Andersen & Co.

December 19, 1986

A. E. McKENZIE CO. LTD.

CONSOLIDATED BALANCE SHEETS--OCTOBER 31, 1986 AND 1985

ASSETS (Note 6)

	1986	1985
CURRENT ASSETS:		
Cash and term deposits	$ 102,950	$ 777,554
Accounts receivable (Note 5)	1,573,223	1,587,661
Inventory (Note 5)	5,540,694	5,095,247
Prepaid expenses	74,276	51,130
Total current assets	$ 7,291,143	$ 7,511,592
EQUIPMENT UNDER CAPITAL LEASE (Note 4)	223,224	282,369
FIXED ASSETS (Note 2)	1,030,385	1,013,867
OTHER ASSETS (Note 3)	217,346	209,479
	$ 8,762,098	$ 9,017,307

LIABILITIES AND SHAREHOLDERS' INVESTMENT

	1986	1985
CURRENT LIABILITIES:		
Bank loan and cheques issued in excess of cash on deposit (Note 5)	$ 501,395	$ -
Accounts payable and accrued liabilities	1,618,986	2,380,417
Current portion of capital lease (Note 4)	82,537	67,308
Current portion of long-term debt (Note 6)	260,090	262,585
Total current liabilities	$ 2,463,008	$ 2,710,310
OBLIGATIONS UNDER CAPITAL LEASE (Note 4)	200,677	252,032
LONG-TERM DEBT (Note 6)	473,674	733,765
Total liabilities	$ 3,137,359	$ 3,696,107
SHAREHOLDERS' INVESTMENT:		
Share capital (Note 7)	$12,268,500	$12,268,500
Deficit	(6,643,761)	(6,947,300)
Total shareholders' investment	$ 5,624,739	$ 5,321,200
	$ 8,762,098	$ 9,017,307

Approved on behalf of the Board:

Director

Director

The accompanying notes are an integral part of these balance sheets.

A. E. McKENZIE CO. LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED OCTOBER 31, 1986 AND 1985

	1986	1985
SALES	$14,243,305	$13,587,489
COST OF SALES	7,966,170	7,093,841
GROSS PROFIT	$ 6,277,135	$ 6,493,648
EXPENSES:		
Selling, marketing and distribution	$ 4,431,121	$ 4,107,913
Administration	1,356,779	1,314,001
	$ 5,787,900	$ 5,421,914
	$ 489,235	$ 1,071,734
OTHER INCOME	75,251	136,996
NET OPERATING INCOME	$ 564,486	$ 1,208,730
INTEREST:		
Long-term	$ 110,765	$ 142,315
Short-term	106,583	52,103
Capital lease	43,599	43,682
	$ 260,947	$ 238,100
NET INCOME	$ 303,539	$ 970,630

The accompanying notes are an integral part of these statements.

A. E. McKENZIE CO. LTD.

CONSOLIDATED STATEMENTS OF DEFICIT

FOR THE YEARS ENDED OCTOBER 31, 1986 AND 1985

	1986	1985
DEFICIT, Beginning of year	$(6,947,300)	$(7,917,930)
NET INCOME	303,539	970,630
DEFICIT, End of year	$(6,643,761)	$(6,947,300)

The accompanying notes are an integral part of these statements.

A. E. McKENZIE CO. LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED OCTOBER 31, 1986 AND 1985

	1986	1985
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net income	$ 303,539	$ 970,630
ADD (DEDUCT) - Items not affecting cash:		
Depreciation and amortization	390,966	409,112
Gain on sale of fixed asset	(2,669)	(654)
	$ 691,836	$ 1,379,088
Decrease in accounts receivable	14,438	83,799
Increase in inventory	(445,447)	(1,214,307)
Increase in prepaid expenses	(23,146)	(3,695)
Decrease in accounts payable and accrued liabilities	(761,431)	(833,375)
	$ (523,750)	$ (588,490)
CASH PROVIDED BY (USED IN) FINANCIAL ACTIVITIES:		
Issuance of preferred shares	$ -	$ 7,154,000
Redemption and reduction of long-term debt	(262,586)	(6,327,590)
Proceeds of bank loan and cheques issued in excess of cash on deposit	501,395	-
	$ 238,809	$ 826,410
CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES:		
Purchase of equipment under capital lease	$ (36,067)	$ (81,090)
Purchase of fixed assets	(231,141)	(232,866)
Disposal of fixed assets	17,453	5,016
Design development costs	(103,782)	(30,237)
Increase (decrease) in obligations under capital lease	(36,126)	25,489
	$ (389,663)	$ (313,688)
DECREASE IN CASH	$ (674,604)	$ (75,768)
CASH AND TERM DEPOSITS, beginning of year	777,554	853,322
CASH AND TERM DEPOSITS, end of year	$ 102,950	$ 777,554

The accompanying notes are an integral part of these statements.

A. E. McKENZIE CO. LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 1986 AND 1985

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Company:

(a) Accounts Consolidated

These financial statements consolidate the accounts of A. E. McKenzie Co. Ltd. and the following wholly owned subsidiaries:

Steele Briggs Ltd.
McFayden Seeds Ltd.
Pike & Co. Ltd.
Canada Seeds Ltd.

(b) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost of manufactured goods and work in process includes material, labor and plant overhead. Cost of finished packets is determined at average cost by variety. Cost for bulk seed is determined at average laid-down cost by specific item. Inventory purchased for resale and packaging and shipping materials are valued at an average laid-down cost by item. Provision has been made for obsolescence, germination and slow moving stocks.

(c) Depreciation - Fixed Assets

Depreciation of fixed assets is recorded on the straight-line basis using the following rates:

Buildings	-	2%
Building renovations	-	10%
Equipment	-	10%
Leasehold improvements	-	Term of Lease
Display stands and trays	-	20%
Equipment under capital lease	-	20%

(d) Amortization - Other Assets

Computer development costs are amortized on a straight-line basis over five years.

Design development costs associated with new products are amortized on a straight-line basis over five years. Unamortized design development costs for products discontinued are written off completely in the year of discontinuation. In 1986 discontinued product costs totalling $4,848 were charged to operations (1985 - $21,361).

Goodwill is amortized on a straight-line basis over 10 years.

(e) Foreign Exchange

The accounts of the Company denominated in foreign currency have been translated to Canadian dollars on the following basis:

i) Income and expenses are translated using the average currency rates in effect during the period.

ii) Monetary items (primarily accounts payable) are translated at the exchange rate at the financial statement date.

iii) Non-monetary items (primarily inventories) are translated at their historic exchange rates.

The resulting foreign currency gains or losses are included in other income in the current year.

(f) Pension Cost

The Company maintains two fully funded pension plans for its employees.

Pension cost related to the cost-based plan are recorded based on the required contribution under the formula stated in the plan.

Pension cost related to the benefit-based plan are recorded based on the cost of pension entitlements accrued during the period.

During 1985 and 1986 certain changes were made to the Company's benefit-based pension plan to provide improved benefits to employees and pensioners covered by the plan. The cost of increased past service benefits was funded from the accumulated surplus in the plan.

(g) Revenue Recognition

A substantial portion of the Company's sales are made on a guaranteed sale or consignment basis.

As of the yearend date, substantially all returns have been processed. For returns which have not been processed, the Company records a provision based on its actual returns for the year.

(h) Income Tax

The Corporation is owned by the Manitoba Government and its agency, the Manitoba Development Corporation. It is therefore exempted from income tax.

2. FIXED ASSETS

	1986		1985	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 30,953	$ -	$ 30,953	$ -
Buildings	1,624,836	1,103,674	1,538,396	1,036,487
Equipment	1,570,297	1,215,538	1,519,375	1,151,988
Leasehold Improvements	85,042	62,448	82,242	52,258
Trays	56,393	53,672	56,393	42,394
Display Stands	432,509	334,313	358,201	288,566
	$ 3,800,030	$ 2,769,645	$ 3,585,560	$ 2,571,693
Cost less accumulated depreciation	$ 1,030,385		$ 1,013,867	

3. OTHER ASSETS

	1986		1985	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Development				
- Design	$ 402,736	$ 279,694	$ 324,265	$ 235,288
- Computer	63,487	59,284	61,987	46,586
Goodwill	150,101	60,000	150,101	45,000
	$ 616,324	$ 398,978	$ 536,353	$ 326,874
Cost less accumulated amortization	$ 217,346		$ 209,479	

4. LEASES

During the current year the Company purchased additional computer equipment and disposed of certain equipment under capital leases for a net increase of $26,033. The equipment is being amortized over a 5 year period. The net book book value is as follows:

	1986	1985
Equipment under Capital Lease	$ 433,416	$ 407,383
Accumulated Amortization	210,192	125,014
	$ 223,224	$ 282,369

4. LEASES (continued)

The future minimum lease payments under capital and operating leases that have initial or remaining non-cancelable terms in excess of one year at October 31, 1986 are as follows:

	Capital Leases	Operating Leases
1987	$116,079	$160,703
1988	116,079	88,457
1989	82,808	12,809
1990	25,474	-
1991	3,123	-
Thereafter	-	-
Total Minimum Lease Payments	$343,563	$261,969
Less: Imputed Interest at 13.5%	60,349	
	$283,214	
Present Value of Obligations Under Capital Lease Due Within One Year	82,537	
Long Term Obligations Under Capital Lease	$200,677	

Aggregate rentals paid on operating leases for real estate, automobiles, and other equipment for the year ended October 31, 1986 amounted to $335,178 (1985 - $311,972). The Company is responsible for all operating costs related to the above. The Company has also guaranteed certain minimum values for automobile leases.

5. BANK LOANS

Bank loans are secured by inventory, accounts receivable and the assignment of the fire insurance policy. Bank loans bear interest at prime.

6. LONG-TERM DEBT

	1986	1985
Demand debenture, repayable in monthly instalments of principal and interest amounting to $22,339, interest at a fixed rate of 12.5% maturing 1989	$ 670,764	$ 845,350
Promissory note, repayable in annual instalments of $63,000 plus interest at the Toronto-Dominion Bank prime lending rate, maturing 1987	63,000	126,000
Promissory note, repayable in semi-annual instalments of $30,000 including interest at the rate of 10.95%, maturing 1986	-	25,000
	$ 773,764	$ 996,350
Current Portion	260,090	262,585
	$ 473,674	$ 733,765

Principal payments due in the next three years for all of the long-term debt described above:

1987 - $260,090
1988 - $222,497
1989 - $251,177

The demand debenture held by the Manitoba Development Corporation is secured by a fixed and floating charge on all assets of the Company subject to prior security held by the bank.

7. SHARE CAPITAL

Authorized

2,000	Class A common shares, maximum consideration $200,000
5,000,000	Class B common shares, maximum consideration $5,000,000
5,000,000	Class A preferred shares, non-voting, cumulative dividends at the rate of 6% per share per annum, redeemable, convertible, maximum consideration $5,000,000
7,154,000	Class B preferred shares, non-voting, non-cumulative dividends at the rate of 6% per share per annum, redeemable, convertible, maximum consideration $7,154,000

Issued and fully paid

1,145	Class A common shares	$ 114,500
5,000,000	Class A preferred shares	5,000,000
7,154,000	Class B preferred shares	7,154,000
		$12,268,500

The Class A preferred shares are redeemable at $1.00 per share together with any dividends accrued thereon and unpaid. Dividends in arrears at October 31, 1986 were $1,200,000.

The Class B preferred shares are redeemable at $1.00 per share together with any dividends declared and unpaid.

The preferred shares are only convertible with the written approval of the Lieutenant-Governor in Council of the Province of Manitoba. The terms of conversion have not been specified.

All of the issued common shares are owned by the Province of Manitoba. All of the issued preferred shares are owned by the Manitoba Development Corporation.

8. CONTINGENCIES

The Company is a party to certain litigation arising in the normal course of business, the aggregate effect of which, in the opinion of management, would not have a material effect on the Company's consolidated financial statements.

Manitoba

THE ALCOHOLISM FOUNDATION OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Alcoholism Foundation of Manitoba for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

May 26, 1987,
Winnipeg, Manitoba.

Exhibit A

THE ALCOHOLISM FOUNDATION OF MANITOBA

(Incorporated under the laws of Manitoba)

Balance Sheet as at March 31, 1987

ASSETS

	1987	1986
Cash	$ 62,967	$ 195,214
Accounts receivable	58,227	32,776
Prepaid insurance	14,386	13,414
Land and buildings, at cost (Note 2)	1,877,161	1,877,161
	$ 2,012,741	$ 2,118,565

LIABILITIES

Accounts payable and accrued liabilities	$ 209,548	$ 167,162

CAPITAL AND RETAINED EARNINGS

Capitalized land and buildings	$ 1,877,161	$ 1,877,161
Retained earnings (deficit), Exhibit B	(73,968)	74,242
	1,803,193	1,951,403
	$ 2,012,741	$ 2,118,565

Exhibit B

THE ALCOHOLISM FOUNDATION OF MANITOBA

Statement of Revenue and Expenditure
Year Ended March 31, 1987

	1987	1986
Revenue:		
Province of Manitoba operating grant	$ 9,933,600	$ 9,342,700
Other revenue	457,231	297,513
	10,390,831	9,640,213
Expenditure:		
Grants to other agencies	2,270,900	2,121,000
Salaries	5,341,509	4,986,186
Wages and other assistance	524,687	517,237
Advertising and exhibits	15,507	18,280
Audio-visual aids	25,362	37,341
Audit	4,878	3,980
Automobile	132,992	127,739
Board of Governors' honorarium	18,200	19,600
Books, newspapers and periodicals	18,676	15,536
Canada Pension Plan	77,052	69,245
Dental claims	44,368	33,788
Educational literature	74,008	44,043
Fees	85,008	77,188
Furnishings and equipment	122,941	35,572
Group life and accident insurance	23,668	22,371
Group long-term disability insurance	48,393	46,303
Health and post secondary education tax levy	89,878	81,935
Household requisites	65,218	60,910
Materials, repairs and maintenance	223,424	135,722
Medical services and supplies	96,602	81,877
Miscellaneous	18,423	16,572
Postage and telephone	146,367	129,745
Printing, stationery and office supplies	105,917	76,919
Property taxes	64,182	62,748
Rent and insurance	66,802	61,921
Research grants and evaluation projects	7,675	5,000
Staff development	51,548	24,271
Subsistence	239,450	226,660
Superannuation	55,522	52,893
Training	36,417	32,905
Transportation of patients	13,572	14,678
Travel	145,613	130,760
Unemployment insurance	149,959	138,206
Utilities	134,323	144,288
	10,539,041	9,653,419
Excess of expenditure over revenue	148,210	13,206
Retained earnings, beginning of year	74,242	87,448
Retained earnings (deficit), end of year	$ (73,968)	$ 74,242

Schedule 1

THE ALCOHOLISM FOUNDATION OF MANITOBA

Schedule of Cash Receipts and Disbursements
Year Ended March 31, 1987

	1987	1986
Cash receipts:		
Province of Manitoba operating grants	$ 9,933,600	$ 9,342,700
Other	431,742	322,110
	10,365,342	9,664,810
Cash disbursements, including grants to external agencies	10,497,589	9,626,198
Excess of disbursements (over) under receipts	(132,247)	38,612
Cash, beginning of year	195,214	156,602
Cash, end of year	$ 62,967	$ 195,214

THE ALCOHOLISM FOUNDATION OF MANITOBA

Notes to Financial Statements
Year Ended March 31, 1987

1. Nature of the Foundation

The Foundation is incorporated under the Alcoholism Foundation of Manitoba Act. The Foundation is the provincial authority responsible for providing prevention and treatment programs related to chemical misuse and dependency to individuals and communities; for conducting research into the negative effects of substance abuse; and in so doing, for promoting the health and well-being of Manitobans.

2. Accounting Policies

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles with the exceptions that pension charges are reflected as incurred (explained in note 4), the costs of leasehold improvements, renovations, furniture, equipment and supplies are expensed in the year of purchase, and there has been no provision made in the accounts for depreciation of buildings, which were acquired with specific grant funds from the Province of Manitoba.

3. Lease Commitments

The Foundation leases buildings, vehicles and equipment under long-term operating leases which expire at various dates between 1988 and 1992. Some of these leases contain renewal options at rates to be negotiated. The following is a schedule by years of future minimum rental payments required under operating leases that have initial lease terms in excess of one year, as of March 31, 1987.

1988	$ 68,687
1989	47,785
1990	26,772
1991	16,862
1992	1,127
	$ 161,233

4. Pension

Employees of The Alcoholism Foundation of Manitoba are pensionable under the Civil Service Superannuation Fund and make contributions at prescribed rates. The Foundation is required to pay 50% of the Fund's pension disbursements made to retired employees and these are charged to superannuation expenditures as incurred. No provision is made in the accounts to fund current or past service costs but the Superannuation Fund is subject to a triennial actuarial review. On the basis of an actuarial report, the estimated unfunded liability for the Foundation's employees amounted to $2,827,200 as at December 31, 1986 ($2,321,200 as at December 31, 1985).

B. K. PELL
CHARTERED ACCOUNTANT
WINNIPEG. CANADA

The Board
The Alonsa Conservation District No. 3
Alonsa, Manitoba

I have examined the balance sheet of The Alonsa Conservation District No. 3 as at 31 March 1987 and the statement of revenue and expenditure for the period then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the District as at 31 March 1987 and the results of its operations for the period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chartered Accountant

30 June 1987

THE ALONSA CONSERVATION DISTRICT NO. 3

BALANCE SHEET

AS AT 31 MARCH 1987

	1987	1985
ASSETS		
Current		
Bank and term deposit	$ 38,300	$ 48,925
Accounts receivable		
Conservation District Authority	3,663	1,265
Accrued interest	332	
	42,295	50,190
Fixed		
Office equipment etc.		
Cost less depreciation, $665 and 340	3,223	387
	45,518	50,577
LIABILITIES AND SURPLUS		
Current		
Conservation District Authority	3,234	10,167
Province of Manitoba	2,488	
	5,722	10,167
Emergency reserve account	5,000	5,000
Surplus	34,796	35,410
	45,518	50,577

THE ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF REVENUE AND EXPENDITURE

FIFTEEN MONTHS ENDED 31 MARCH 1987

	1986-87 15 months	1985 12 months
Revenue		
Province of Manitoba allocated grant	$ 160,885	$ 125,365
Municipal Grant		
General	29,329	29,382
Re: Manager's salary	2,438	
Forage seed recoveries	20,331	15,976
Bank interest	4,043	2,852
Sundry		24
	217,026	173,599
Expenditure		
Projects		
Miscellaneous crossing repairs	31,013	28,530
Channel maintenance	27,192	5,010
Channel improvements	28,901	50,164
	87,106	83,704
Board remuneration and expense	7,540	4,720
Other administration	17,849	7,870
Manager's salary and expense	19,022	
Forage seed	85,403	66,989
Resource extension etc.	720	616
	217,640	163,899
Excess of Revenue/(Expenditure)	(614)	9,700
Surplus		
Balance beginning of period	35,410	25,710
Balance end of period	34,796	35,410

THE ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF PROVINCIAL CONTRIBUTIONS

FIFTEEN MONTHS ENDED 31 MARCH 1987

		%SHAREABLE		SHARE	
	AMOUNT	PROV.	DIST.	PROV.	DISTRICT
Projects -	$ 58,205	75	25	43,654	$ 14,551
-	12,151	80	20	9,721	2,430
-	16,750	70	30	11,725	5,025
	87,106				
Board administration	22,214	75	25	16,661	5,553
Other administration -	266	100		266	
-	2,909		100		2,909
Manager's salary and expense	19,022	75	25	14,266	4,756
Forage seed	85,403	75	25	64,052	21,351
Resource extension etc.	720	75	25	540	180
	217,640			160,885	56,755

NOTES TO FINANCIAL STATEMENTS

FIFTEEN MONTHS ENDED 31 MARCH 1987

1) Except for payroll and incidental expenses the expenses of the District are paid from a bank of the Conservation District Authority, a Provincial Agency which pays accounts for four districts in all.

2) Until March 1980, when the District hired its own secretary-treasurer and occupied a rent free office on the premises of the L.G.D. of Alonsa, the Government of the Province of Manitoba provided without charge all the District's administrative and technical staff requirements, office equipment and head office space. Subsequently the Government provides only the engineering and technical staff requirements without charge, while the L.G.D. of Alonsa commenced in October 1986 charging a monthly office rental of $100.

3) The District has requested financial assistance of some $12,000 from the Province regarding flood damage costs incurred in 1986. The claim is not set up on the books of the District but any amount received will be shareable 75% with the Province.

4) In accordance with an amendment to the Conservation Districts Act, the fiscal year end was changed to 31 March.

Manitoba

BOARD OF ADMINISTRATION UNDER THE EMBALMERS AND FUNERAL DIRECTORS ACT

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of the Board of Administration under The Embalmers and Funeral Directors Act for the fiscal year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board of Administration under The Embalmers and Funeral Directors Act as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policy described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

October 13, 1987,
Winnipeg, Manitoba.

Exhibit A

BOARD OF ADMINISTRATION UNDER
THE EMBALMERS AND FUNERAL DIRECTORS ACT

Balance Sheet
as at December 31, 1986
(with 1985 figures for comparison)

	1986	1985
ASSETS		
Current assets:		
Cash on hand and in bank	$ 42,526	$ 30,955
Accounts receivable - licenses	185	-
- Province of Manitoba	267	267
	$ 42,978	$ 31,222
LIABILITIES		
Current liabilities:		
Accounts payable	$ 1,936	$ 2,315
Deferred revenue	3,260	-
	5,196	2,315
RETAINED EARNINGS		
Balance, beginning of year	28,907	25,021
Add: Revenue over expenditure for the year, Exhibit B	8,875	3,886
Balance, end of year	37,782	28,907
	$ 42,978	$ 31,222

Exhibit B

BOARD OF ADMINISTRATION UNDER THE EMBALMERS AND FUNERAL DIRECTORS ACT

Statement of Revenue and Expenditure for the year ended December 31, 1986 (with 1985 figures for comparison)

	1986	1985
Revenue:		
Licences:		
Funeral Homes	$ 5,700	$ 5,300
Funeral Directors	4,100	3,925
Embalmers	1,670	1,590
Agents	600	400
Permits	-	100
Articled student registration, courses and examination fees	10,400	7,200
Interest	1,939	1,555
Miscellaneous	195	50
	24,604	20,120
Expenditure:		
Accounting fees	(200)	95
Audit	475	1,175
Honoraria - board members	390	360
- acting registrar	1,000	1,000
Miscellaneous	642	695
Postage	396	311
Printing licenses	65	265
Courses and seminars - instruction, classrooms, texts	12,163	10,156
Board meetings	478	452
Bad debts written off	320	1,725
	15,729	16,234
Revenue over expenditure, Exhibit A	$ 8,875	$ 3,886

BOARD OF ADMINISTRATION UNDER
THE EMBALMERS AND FUNERAL DIRECTORS ACT

Notes to Financial Statements
December 31, 1986

1. Nature of the Board of Administration

The Embalmers and Funeral Directors Act established the Board of Administration. The Board licenses and regulates embalmers and funeral directors and prescribes the courses of training and instruction for articled students.

2. Accounting Policy

The Board of Administration uses the accrual basis of accounting, except for revenues and expenditures in the articled student programs which are recorded on a cash basis.

3. Services Provided by the Province of Manitoba at no charge

The Province of Manitoba provides the services of a bookkeeper and an accountant at no charge to the Board of Administration.

Manitoba

BRANDON UNIVERSITY

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A - H and Schedules 1 - 6, of Brandon University for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

March 11, 1988,
Winnipeg, Manitoba.

STATEMENTS

Brandon University
Comparative Balance Sheet
as at March 31, 1987 and March 31, 1986

Statement A

ASSETS

	1987	1986
Current:		
Cash and bank		
General Operating	$ 844,703	$ 1,542,542
Trust Fund	1,454,959	189,582
Investments		
Trust Fund (notes 1B & 3)	832,619	1,938,789
Accounts receivable		
General (note 10)	485,285	435,291
Special	137,811	283,262
Bookstore inventory, at cost	135,643	143,125
Prepaid expenses	151,036	85,101
	4,042,056	4,617,692
Fixed: Schedule 1 (notes 1D and 2)		
Land and buildings	32,746,026	32,859,211
Furnishings and equipment	15,011,980	14,049,453
Zone properties	284,261	299,248
Construction in progress	1,493,056	76,013
	49,535,323	47,283,925
	$53,577,379	$51,901,617

LIABILITIES & FUND BALANCES

	1987	1986
Current:		
Accounts payable and accrued liabilities	$ 2,201,141	$ 1,958,717
Deferred income	7,368	29,942
	2,208,509	1,988,659
Long-term:		
5 1/8% Mortgage, $41,608 principal and interest payable semi-annually July 1, 1987 - 2012	1,176,941	1,198,988
8 1/4% Mortgage, $66,686 principal and interest payable semi-annually April 1, 1987 - 2021	1,521,197	1,528,608
Early Retirement Agreements (note 9)	95,430	
Promissory Note (note 7)	1,300,000	1,300,000
Pension Contract	66,000	88,000
Zone properties mortgages (notes 1E and 4)	18,275	23,905
	4,177,843	4,139,501
Fund Balances:		
General:		
Operating, Regular, Statement C	205,497	207,016
Early Retirement Appropriation (note 9)	(238,357)	-
	(32,860)	207,016
Research and Special Projects, Statement F (note 1G)	596,708	641,098
Capital Purpose, Statement G (note 1H)	(1,057,576)	(347,531)
	(493,728)	500,583
Trust:		
Scholarship and Endowment, Statement D	2,275,566	1,711,623
Brandon University Student Union, Statement E	7,601	449,949
	2,283,167	2,161,572
	1,789,439	2,662,155
Investment in Fixed Assets, Statement H	45,401,588	43,111,302
	$53,577,379	$51,901,617

Comparative Statement of General Fund Revenues and Other Additions and Expenditures and Other Deductions for the years ended March 31, 1987 and March 31, 1986

Statement B

	Operating Fund Account		Research and Special Projects Fund Account
	1987	1986	1987
REVENUES AND OTHER ADDITIONS:			
Student Fees	$ 2,237,969	$ 2,142,696	$ 40,799
Grants:			
Universities Grants Commission	11,646,674	10,878,206	
Government of the Province of Manitoba	1,049,619	930,919	2,890,000
Government of Canada	69,994	69,977	
Other	78,530		370,493
City of Brandon	177,627	167,234	
Sponsored or Assisted Research			870,791
Loan financing			
Scholarship and bursary donors			190,667
Ancillary Enterprises	2,764,153	2,893,765	216,587
Miscellaneous	240,337	349,667	654,029
Total Revenues and Other Additions	18,264,903	17,432,464	5,233,366
Schedule 2			
EXPENDITURES AND OTHER DEDUCTIONS:			
Academic - general	8,577,251	7,987,988	854,346
Academic - specifically funded			3,346,441
Library	1,097,858	1,024,695	
Student Services	976,566	888,581	190,667
Administration	871,776	1,008,781	
General support services and other general expenditures	1,240,518	1,240,288	669,715
Plant maintenance	2,623,896	2,495,564	
Ancillary Enterprises	2,878,557	3,090,641	216,587
Total Expenditures and Other Deductions	18,266,422	17,736,538	5,277,756
Schedule 3			
Net Revenues and Other Additions (Net Expenditures and Other Deductions) for the year before Special Expenditures	(1,519)	(304,074)	(44,390)
Special Expenditures - Early Retirement Costs (note 9)	238,357	-	-
Net Revenues and Other Additions (Net Expenditures and Other Deductions)	$ (239,876)	$ (304,074)	$ (44,390)

Research and Special Projects Fund Account	Capital Purpose Fund Account		Total March 31	Total March 31
1986	1987	1986	1987	1986
$ 31,367	$	$	$ 2,278,768	$ 2,174,063
			11,646,674	10,878,206
3,151,000			3,939,619	4,081,919
			69,994	69,977
453,217	836,749		1,285,772	453,217
			177,627	167,234
638,273			870,791	638,273
		1,300,000		1,300,000
178,142			190,667	178,142
216,587			2,980,740	3,110,352
449,253			894,366	798,920
5,117,839	836,749	1,300,000	24,335,018	23,850,303
513,451	129,751	363,006	9,561,348	8,864,445
3,506,589			3,346,441	3,506,589
			1,097,858	1,024,695
178,142	1,417,043		2,584,276	1,066,723
			871,776	1,008,781
461,501			1,910,233	1,701,789
			2,623,896	2,495,564
216,587			3,095,144	3,307,228
4,876,270	1,546,794	363,006	25,090,972	22,975,814
241,569	(710,045)	936,994	(755,954)	874,489
-	-	-	238,357	-
$ 241,569	$ (710,045)	$ 936,994	$ (994,311)	$ 874,489

Comparative Statement of Operating Fund Account for the years ended March 31, 1987 and March 31, 1986

Statement C

	1987	1986
Balance at beginning of year	$ 207,016	$ 512,247
Add:		
(Net Expenditures and Other Deductions) Net Revenues and Other Additions for the year before Special Expenditures, Statement B	(1,519)	(304,074)
	205,497	208,173
Special Expenditures - Early Retirement Appropriation, Statement B (note 9)	(238,357)	-
Adjustment of prior years' operations, net	-	(1,157)
Balance at end of year, Statement A	$ (32,860)	$ 207,016

NOTE: The University has implemented an Early Retirement Plan whereby it expects that the initial costs of the Plan will be more than offset from future cost savings. The Special Expenditures shown above, represents the balance associated with the Plan and will be recovered over the early retirement period as cost savings occur. (see note 9)

Comparative Statement of Scholarship and Endowment Trust Fund Account for the years ended March 31, 1987 and March 31, 1986

Statement D

	1987	1986
Balance at beginning of year	$ 1,711,623	$ 1,565,883
Add:		
Contributions during the year	640,533	272,215
Income from investments (note 1B)	237,039	142,273
	877,572	414,488
Deduct:		
Scholarships, bursaries and awards	190,667	178,142
Transfer to General Fund	108,895	74,544
Management fees and administrative expenses	12,831	9,903
Sundry expenses	1,236	6,159
	313,629	268,748
Balance at end of year, Statement A and Schedule 6	$ 2,275,566	$ 1,711,623

Comparative Statement of Brandon University
Student Union Trust Fund Account
for the years ended March 31, 1987 and March 31, 1986

Statement E

	1987	1986
Balance at beginning of year	$ 449,949	$ 440,335
Add:		
Contributions during the year	–	49,000
Income from Investments	28,599	36,627
	28,599	85,627
Deduct:		
Expenses, new building	470,947	76,013
Balance at end of year, Statement A	$ 7,601	$ 449,949

Statement of Research and Special Projects Fund
Account for the year ended March 31, 1987

Statement F

	Balance March 31, 1986
Research	
Natural Sciences and Engineering Research Council	$ 68,114
Government of the Province of Manitoba	13,007
Government of Canada	123,653
Other	35,178
	239,952
Special Programs	
Brandon University Northern Teacher Education Program (B.U.N.T.E.P.)	169,529
Program for the Education of Native Teachers (P.E.N.T.)	56,778
Brandon University Indian Leadership Development Program (B.U.I.L.D.)	12,425
	238,732
Scholarships, bursaries and awards transferred to the Operating Fund	-
Fundraising Operations	62,200
Sundry Projects, net	58,774
Ancillary Enterprises	
Universities Grants Commission Mortgage Payment	-
Expenditure recoverable included in accounts receivable	41,440
Balance as at March 31, 1986 and 1987, Statement A	$ 641,098

Revenues and Other Additions	Expenditures and Other Deductions	Balance March 31, 1987
$ 188,043	$ 215,493	$ 40,664
131,194	140,450	3,751
467,757	449,311	142,099
83,797	49,092	69,883
870,791	854,346	256,397
2,890,000	2,906,943	152,586
411,292	438,558	29,512
-	940	11,485
3,301,292	3,346,441	193,583
190,667	190,667	-
	62,200	-
673,805	607,515	125,064
216,587	216,587	-
(19,776)	-	21,664
$ 5,233,366	$ 5,277,756	$ 596,708

Comparative Statement of Capital Purpose Fund Account for the years ended March 31, 1987 and March 31, 1986

Statement G

	1987	1986
Balance (Deficit) at beginning of year	$ (347,531)	$(1,276,281)
Add (Deduct):		
Net Revenue and Other Additions (Net Expenditures and other Deductions) for the Year, Statement B	(710,045)	936,994
Adjustment of prior years' operations, net	-	(8,244)
Deficit at end of year, Statement A	$(1,057,576)	$ (347,531)

Comparative Statement of Investment in Fixed Assets for the years ended March 31, 1987 and March 31, 1986

Statement H

	1987	1986
Balance at beginning of year	$43,111,302	$43,248,684
Add:		
Charges to expenditure	1,037,300	763,232
Construction during the year	1,434,880	480,176
Appraisal adjustment (note 1D)	(181,894)	(80,790)
Net Income from Zone Properties	5,629	4,591
Less:		
Mortgage repayment	(5,629)	(4,591)
Loan financing used to reduce deficit in Capital Purpose Fund		(1,300,000)
	2,290,286	(137,382)
Balance at end of year, Statement A	$45,401,588	$43,111,302

Notes to Financial Statements
for the year ended March 31, 1987

1. Significant Accounting Principles and Reporting Practices

A. Fund Accounting

The accounts of the University are maintained in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. For financial reporting purposes, accounts with similar characteristics or objectives have been combined to establish the General and Trust Funds.

B. Investment of Trust Funds

Trust funds available for investment are pooled. Investment income is distributed to each participating fund annually at March 31. Investments are recorded at cost or at fair market values at the date of acquisition or donation respectively. Gains or losses on sales of investments are recognized in the fiscal year of disposal.

C. Accounting Basis

The University accounts are maintained to provide a matching of Revenues and Other Additions and Expenditures and Other Deductions to the fiscal year in which the items were budgeted. As a consequence of this policy, the following modifications to the accrual basis of accounting have been adopted by the University:

a) Regular session student fees and ancillary enterprises income which pertain to a period after the University's fiscal year-end are not treated as deferred income but are recorded as revenues of that fiscal year.

b) The costs of sabbatical leaves are accounted for in the fiscal year in which the expenditures are made; other payroll costs have not been accrued from the last pay period in the fiscal year to March 31.

c) Accrued interest has not been taken into account on the University's trust investments or trust liabilities.

d) Consumable supplies are charged to operations in the fiscal year they are acquired. Except for the bookstore, the costs of the unused supplies as at March 31 are not included in inventory for financial statement presentation purposes.

e) Grants in lieu of taxes, which were paid on behalf of the University by the Department of Municipal Affairs, have been reflected in both income and expenditures in the financial statements.

D. Property, Plant and Equipment

Land and buildings are purchased with capital funds and charged to the general fund - capital purpose.

Land -	is recorded as per the Municipal Tax Assessment values as of December 31, 1986.
Buildings-	are shown at the values established by an appraisal report completed as of July 1984 by Sunalta Appraisals Ltd. with all subsequent additions recorded at cost.

Furnishings and equipment including library books are purchased with operating funds and charged to the general fund - operating. These are shown at the values established by an appraisal report completed as of July 1984 by Sunalta Appraisal Ltd. with all subsequent additions recorded at cost.

Increases or decreases to the fixed assets are reflected as an adjustment to Investments in Fixed Assets.

Depreciation is not provided for on the fixed assets.

E. Mortgage Principal Repayment

Repayments of mortgage principal are charged to operations, except for repayment of Zone Properties mortgages which are charged to Investment in Fixed Assets.

F. Operations

Ancillary Enterprises provide goods and services not directly associated with the University's primary education objective. These activities are expected to operate on a break-even basis, except for payments of principal and interest on long-term debt, which are funded from other sources. Ancillary Enterprises are assessed all significant overhead costs associated with their operations.

G. Research and Special Projects Fund Account

From time to time, certain funds are received by the University for specific purposes. In the fiscal year that the funds are received, they are shown as income on the Statement of Income and Expenditures.

H. Capital Purpose Fund Account

Funds received by the University for Capital purposes are reported in the Fund Balances section of the Balance Sheet, until such time as they are applied to the expenditures for which they were received. The balance of $(1,057,576) in the Capital Purposes Fund Account represents costs incurred in excess of the contributions and financing received to March 31, 1987 in respect of the new Music Building and the Knowles Douglas Student Union Centre. The funding is intended to be met by contributions from a Music Building fund raising campaign plus the receipt of funds from the Knowles Douglas Commission for all outstanding costs associated with the construction of the Knowles Douglas Student Union Centre.

An Order-in-Council has been approved authorizing the University to borrow up to $750,000 (on behalf of the Knowles Douglas Commission) for the funding of the capital costs required for the construction of the Knowles Douglas Student Union Centre. The repayment of the debt and interest will be financed by levying a Building Fee to the students.

2. Brandon Centennial Auditorium Corporation Inc.

Under an arrangement between the University, the Government of the Province of Manitoba and the City of Brandon, the University built an Auditorium on its property for the benefit of citizens of Western Manitoba. The expenditures for the building and furnishings were financed from contributions by the Governments of Canada and Manitoba, the City of Brandon and citizens through campaigns.

The Auditorium has been leased to the Brandon Centennial Auditorium Corporation Inc. under a 99 year lease for a nominal consideration of $1 with the University being required to supply certain services to the Auditorium for which it is reimbursed.

BRANDON UNIVERSITY

Notes to the Financial Statements
for the year ended March 31, 1987

3. Investments

Details regarding the Investments are as follows:

	Par Value	Book Value	Market Value
Bonds:			
Government of Canada	$ 565,000	$ 543,837	$ 624,894
Other	25,000	20,875	24,875
Stocks:	28,297	267,907	347,626
	$ 618,297	$ 832,619	$ 997,395

4. Zone Properties

There are several mortgages outstanding as at March 31, 1987 having varying maturity dates. Under the terms of the various mortgages, monthly payments of $640 are required covering principal and interest.

5. Bookstore

An agreement between the University and the Brandon University Students' Union provides for the equal sharing of profits of the University's bookstore operations. Profits payable to the Students' Union amounted to $27,360 for the year ended March 31, 1987 (1986 - $27,250).

6. Pension Plans

Brandon University contributes to a trustee-administered pension plan for its employees. Both the University and the employees contribute to the pension plan on the basis of the employees' regular salary.

The actuarial valuation was completed as at January 1, 1987 to determine the plan's position and established a plan surplus of $2,027,000. The next actuarial valuation is to be made as at January 1, 1990.

There are also special pension contracts subject to conditions being fulfilled. The University amortizes the costs thereof by an annual charge to operations.

The accounts of the Brandon University Retirement Plan do not form part of the University's financial statements. The Plan's financial statements are audited and reported on by the Provincial Auditor.

Notes to the Financial Statement for the year ended March 31, 1987

7. Promissory Note

Under the terms of a promissory note dated March 19, 1987, the University is liable, on demand, to pay to the order of the Bank of Montreal the sum of $1,300,000 and to pay interest monthly. The term for the March 19th promissory note is thirty two days at a rate of 7.75% per annum.

The note is one of a succession of promissory notes which have secured the $1,300,000 financing obtained to fund a portion of the University's share of the cost of the New Music Building. As the financing is to be repaid from other than current assets, the promissory note is shown as a long term liability on the Balance Sheet.

8. Long-term Agreements

Lease Purchase:

Brandon University acquired a VAX 11/750 computer in December, 1982 from Digital Equipment of Canada Ltd., under a lease-purchase agreement. The terms of the agreement call for 5 equal annual payments of $39,960.25, starting April 1, 1983 and a 10% purchase option ($17,313) payable April 1, 1988.

Equipment Ordered:

The University entered into an agreement with Gabriel Kney & Co. Limited for the purchase of an organ to be delivered August 1, 1988. The total cost is $98,868. A payment of $27,720 was made at the time the order was placed.

9. Early Retirement

The University has entered into individual agreements with employees on the basis of an Early Retirement Plan approved by the University Board of Governors. Eligible employees may elect, until August 1988, to participate in the Plan.

Under the Plan, the University provides financial incentives to eligible employees electing early retirement. The payments associated with these incentives occur during the early years of the early retirement, primarily the first year. (They are shown as special expenditures - early retirement costs on Statement B.) The University expects to offset these costs through either not replacing, or replacing at a lower salary, the retired employees. (The balance is shown as early retirement appropriation on Statements A and C.) The payback period for the Plan is expected to be three (3) to five (5) years.

10. Accounts Receivable

	1987	1986
Student receivables	$263,202	$273,095
Other receivables	379,252	252,566
	642,454	525,661
Allowance for doubtful accounts	157,169	90,370
	$485,285	$435,291

11. Computer Services

The costs of Computer Services provided to Brandon University by the University of Manitoba are charged to the Universities Grants Commission. These costs are not recorded in the accounts of Brandon University.

12. Wholly-owned Subsidiaries

In 1985-86 Brandon University established a wholly-owned subsidiary company, Brandon University Holding Company Limited. This company in turn established a wholly-owned subsidiary, WESTARC Group Incorporated.

Following is a brief summary of the transactions of these companies which are recorded in the accounts of Brandon University. Financial Statements for these companies have not yet been audited.

	1987	1986
Revenue	$384,968	$206,587
Expenditures	$338,189	$167,047
Net Receipts included in Research and Special Projects Fund Balance	$ 46,779	$ 39,540

13. Restatement of Accounts

Comparative figures for the year ended March 31, 1986 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 1987.

SCHEDULES

Schedule 1 Fixed Assets

	Total March 31 1987	Total March 31 1986
Buildings:		
Administration and Clark Hall	$ 1,546,424	$ 1,546,424
Arts and Library building	1,746,745	1,746,745
Centennial Auditorium (note 2)	3,239,501	3,239,501
Cowan Hall	1,413,758	1,413,758
Drama building	227,650	227,650
Education building	2,140,813	2,140,813
Gymnasium	817,337	817,337
McMaster Hall	3,421,143	3,421,143
Jeff Umphrey Centre for Mental Retardation	528,842	528,842
J.R. Brodie Science Centre	6,804,663	6,804,663
Darrach Hall and Dining Hall	2,533,601	2,501,141
Music buildings (old)	765,791	765,791
President's residence	134,095	134,095
Queen Elizabeth II Music building	5,115,148	5,097,311
Steam Plant	994,030	994,030
Temporary buildings	170,911	334,393
Utility services	386,508	386,508
Kinsmen Stadium	27,036	27,036
	32,013,996	32,127,181
Land and site development:		
Land	542,750	542,750
Site development	189,280	189,280
	732,030	732,030
Land and buildings	32,746,026	32,859,211
Furnishings and equipment	15,011,980	14,049,453
Zone properties	284,261	299,248
Construction in progress	1,493,056	76,013
Fixed Assets, Statement A	$ 49,535,323	$ 47,283,925

Schedule 2 General Fund Revenues and Other Additions (page 1)

	Operating Fund Account	Research and Special Projects Fund Account
Student Fees:		
Regular Session	$ 1,637,860	$
Evening Session–credit	86,157	
Evening Session–non credit	98,395	
Summer Session	60,536	
Spring Session	70,530	
Music Conservatory	168,245	
Other	116,246	
Special Programs:		
Program for the Education of Native Teachers		40,799
	2,237,969	40,799
Grants:		
Universities Grants Commission:		
Operating	11,221,702	
Miscellaneous Capital	415,916	
Special	9,056	
	11,646,674	
Government of the Province of Manitoba:		
Grant in lieu of taxes	1,049,619	
Brandon University Northern Teacher Education Project		2,890,000
	1,049,619	2,890,000
Government of Canada:		
Department of Indian Affairs	69,994	
	69,994	
Revenues and Other Additions carried forward	$ 15,004,256	$ 2,930,799

Capital Purpose Fund Account	Total March 31 1987	Total March 31 1986
	$ 1,637,860	$ 1,582,280
	86,157	64,602
	98,395	93,930
	60,536	65,245
	70,530	67,008
	168,245	159,408
	116,246	110,223
	40,799	31,367
	2,278,768	2,174,063
	11,221,702	10,562,290
	415,916	315,916
	9,056	
	11,646,674	10,878,206
	1,049,619	930,919
	2,890,000	3,151,000
	3,939,619	4,081,919
	69,994	69,977
	69,994	69,977
	$17,935,055	$17,204,165

Schedule 2 General Fund Revenues and Other Additions

	Operating Fund Account	Research and Special Projects Fund Account
Brought forward	$ 15,004,256	$ 2,930,799
Grants, continued:		
Other:		
Program for the Education of Native Teachers		370,493
Knowles Douglas Commission		
Brandon University Foundation		
Donations	78,530	
	78,530	370,493
City of Brandon	177,627	
Sponsored or assisted research:		
National Sciences and Engineering Research Council		188,043
Government of the Province of Manitoba		131,194
Government of Canada		467,757
Other		83,797
		870,791
Total Grants	13,022,444	4,131,284
Loan Financing		
Scholarship and Bursary donors		190,667
Ancillary Enterprises		
Bookstore	742,350	
Food Services	1,308,890	
Parking	37,165	
Residence - Operating	675,748	
- Mortgage Grant		216,587
	2,764,153	216,587
Miscellaneous:		
Rentals	18,025	
Sundry	113,987	
Sundry projects		654,029
Interest income	108,325	
	240,337	654,029
Total Revenues and Other Additions, Statement B	$ 18,264,903	$ 5,233,366

Capital Purpose Fund Account	Total March 31 1987	Total March 31 1986
$ -	$17,935,055	$17,204,165
	370,493	367,677
836,749	836,749	
		85,540
	78,530	-
836,749	1,285,772	453,217
	177,627	167,234
	188,043	215,747
	131,194	92,846
	467,757	278,650
	83,797	51,030
	870,791	638,273
836,749	18,066,490	16,288,826
	-	1,300,000
	190,667	178,142
	742,350	709,161
	1,308,890	1,390,379
	37,165	72,660
	675,748	721,565
	216,587	216,587
	2,980,740	3,110,352
	18,025	18,895
	113,987	196,874
	654,029	449,253
	108,325	133,898
	894,366	798,920
$ 836,749	$24,335,018	$23,850,303

Schedule 3 General Fund Expenditures and Other Deductions by Type

	Operating Fund Account	Research and Special Projects Fund Account
Academic - General:		
Salaries and staff benefits	$ 7,440,895	$
Music Conservatory commissions	172,882	
Travel and moving	258,252	
Sponsored or assisted research		854,346
Non-credit programs	64,464	
Other expenses and supplies	330,857	
Community Resource Centre		
Miscellaneous capital	309,901	
School of Music Building		
	8,577,251	854,346
Academic - Specifically Funded:		
Program for the Education of Native Teachers		438,558
Brandon University Northern Teacher Education Project		2,906,943
Brandon University Indian Leadership Development		940
		3,346,441
Library:		
Salaries and staff benefits	724,364	
Books and periodicals	255,625	
Travel and moving	8,487	
Other expenses and supplies	73,120	
Miscellaneous capital	36,262	
	1,097,858	
Student Services:		
Salaries and staff benefits	728,764	
Travel and moving	25,138	
Other expenses and supplies	45,849	
Scholarships, bursaries and awards		190,667
Athletic programs	140,783	
Miscellaneous capital	36,032	
Construction, Knowles Douglas Student Union Centre		
	976,566	190,667
Carried forward	$10,651,675	$ 4,391,454

Capital Purpose Fund Account	Total March 31 1987	Total March 31 1986
$	$ 7,440,895	$ 7,038,811
	172,882	146,761
	258,252	180,844
	854,346	513,451
	64,464	58,097
	330,857	333,115
	-	22,928
	309,901	207,432
129,751	129,751	363,006
129,751	9,561,348	8,864,445
	438,558	411,197
	2,906,943	3,088,886
	940	6,506
	3,346,441	3,506,589
	724,364	695,893
	255,625	253,996
	8,487	9,034
	73,120	39,240
	36,262	26,532
	1,097,858	1,024,695
	728,764	659,151
	25,138	28,958
	45,849	44,281
	190,667	178,142
	140,783	128,322
	36,032	27,869
1,417,043	1,417,043	-
1,417,043	2,584,276	1,066,723
$ 1,546,794	$16,589,923	$14,462,452

Schedule 3 General Fund Expenditures and Other Deductions by Type

	Operating Fund Account	Research and Special Project Fund Account
Brought Forward	$ 10,651,675	$ 4,391,454
Administration:		
Salaries and staff benefits	705,586	
Travel and moving	34,893	
Other expenses and supplies	120,469	
Miscellaneous capital	10,828	
	871,776	
General Support Services and Other General Expenditures:		
Salaries and staff benefits	842,341	
Convocation	21,812	
Sundry projects		607,515
Fundraising	(11,788)	62,200
Telephone and telegraph	31,831	
Postage	(6,579)	
Institutional membership fees	12,300	
Legal and audit	81,636	
Other expenses and supplies (net of recoveries)	237,105	
Miscellaneous capital	31,860	
	1,240,518	669,715
Plant Maintenance:		
Salaries and staff benefits	814,178	
Taxes and insurance	1,106,376	
Security and contract charges	49,662	
Other expenses and supplies	249,501	
Utilities	310,746	
Miscellanous capital	62,955	
	2,593,418	
Steam Plant:		
Salaries and staff benefits	170,169	
Other expenses and supplies	14,830	
Utilities	282,578	
	467,577	
Maintenance allocations or recoveries	(437,099)	
Total Plant Maintenance	2,623,896	
Carried forward	$ 15,387,865	$ 5,061,169

5

Capital Purpose Fund Account	Total March 31 1987	Total March 31 1986
$ 1,546,794	$16,589,923	$14,462,452
	705,586	854,440
	34,893	27,558
	120,469	111,091
	10,828	15,692
	871,776	1,008,781
	842,341	817,653
	21,812	19,131
	607,515	438,161
	50,412	23,340
	31,831	47,934
	(6,579)	1,147
	12,300	11,491
	81,636	63,360
	237,105	225,553
	31,860	54,019
	1,910,233	1,701,789
	814,178	788,869
	1,106,376	975,676
	49,662	67,276
	249,501	219,342
	310,746	207,905
	62,955	124,202
	2,593,418	2,383,270
	170,169	165,493
	14,830	12,222
	282,578	298,463
	467,577	476,178
	(437,099)	(363,884)
	2,623,896	2,495,564
$ 1,546,794	$21,995,828	$19,668,586

Schedule 3 General Fund Expenditures and Other Deductions by Type

	Operating Fund Account	Research and Special Projects Fund Account
Brought forward	$ 15,387,865	$ 5,061,169
Ancillary Enterprises:		
Bookstore:		
Salaries and staff benefits	83,026	
Goods for resale	604,017	
Other expenses and supplies	581	
Students' Union share of net income (note 5)	27,360	
	714,984	
Food Services:		
Salaries, staff benefits, administration and management fee	605,423	
Food	426,824	
Other expenses and supplies	240,814	
Utilities allocation	58,342	
	1,331,403	
Parking:		
Salaries	11,325	
Other expenses and supplies	32,813	
Mortgage payments	7,691	
Renovations		
Site services amortization	60,000	
	111,829	
Residence:		
Salaries and staff benefits	352,110	
Other expenses and supplies	173,215	
Utilities allocation	195,016	
Mortgage payments		216,587
	720,341	216,587
Total Ancillary Enterprises	2,878,557	216,587
Total Expenditures and Other Deductions, Statement B	$ 18,266,422	$ 5,277,756

Capital Purpose Fund Account	Total March 31 1987	Total March 31 1986
$ 1,546,794	$21,995,828	$19,668,586
	83,026	77,117
	604,017	553,473
	581	23,773
	27,360	27,250
	714,984	681,613
	605,423	501,431
	426,824	514,462
	240,814	320,413
	58,342	56,036
	1,331,403	1,392,342
	11,325	4,881
	32,813	4,738
	7,691	8,560
		134,823
	60,000	60,000
	111,829	213,002
	352,110	359,660
	173,215	253,970
	195,016	190,054
	216,587	216,587
	936,928	1,020,271
	3,095,144	3,307,228
$ 1,546,794	$25,090,972	$22,975,814

Schedule 4 General Fund Expenditures and Other Deductions
by Account and by Funding

	Salaries Academic	Salaries Support	Benefits	Health Education Tax
Academic General:				
Arts	$ 1,864,523	$ 91,789	$ 154,302	$ 30,050
Science	2,150,210	143,331	186,019	34,094
Education	1,106,663	134,649	104,388	19,265
Music	912,221	70,835	79,265	14,792
Extension	165,599	104,791	15,515	4,783
Media & Film Services		45,879	4,518	687
Senate				
Music Conservatory	159,102	7,657	6,363	2,487
Non-Credit Programs				
Assisted Research				
Community Resource Centre				
Construction, Music Building				
	6,358,318	598,931	550,370	106,158
Special Programs:				
BUNTEP	346,972	614,137	67,317	14,769
PENT	226,057	86,128	16,512	4,737
BUILD				
	573,029	700,265	83,829	19,506
Library:		655,595	58,530	10,239
Books and Periodicals				
		655,595	58,530	10,239
Student Services:	140,127	415,572	44,594	7,801
Scholarships				
Athletic Programs	67,321	44,573	7,253	1,523
Construction, Knowles Douglas Student Union Centre				
	207,448	460,145	51,847	9,324
Administration:				
President		170,504	23,522	2,527
Vice-President, Admin & Finance		377,485	32,046	5,325
Vice-President, Academic & Research		34,198	2,766	515
Board of Governors		55,108	1,523	67
		637,295	59,857	8,434
Carried Forward	$ 7,138,795	$3,052,231	$ 804,433	$153,661

Travel	Supplies and Other Expenses	Miscellaneous Capital	Recoveries	Total March 31 1987	Total March 31 1986
$ 64,808	$ 59,044	$ 21,965	$ (32,760)	$ 2,253,721	$ 2,185,776
84,164	172,188	174,301		2,944,307	2,512,645
38,893	16,970	20,504		1,441,332	1,478,281
45,201	62,166	93,131		1,277,611	1,156,437
24,518	34,739	–		349,945	365,199
293	11,453		(2,046)	60,784	53,721
	8,485			8,485	7,925
375	618			176,602	146,979
	64,464			64,464	58,097
	854,346			854,346	513,451
					22,928
		189,751	(60,000)	129,751	363,006
258,252	1,284,473	499,652	(94,806)	9,561,348	8,864,445
180,937	1,594,117	88,694		2,906,943	3,088,886
36,588	68,536			438,558	411,197
716	224			940	6,506
218,241	1,662,877	88,694		3,346,441	3,506,589
8,487	109,382			842,233	770,699
	255,625			255,625	253,996
8,487	365,007			1,097,858	1,024,695
25,138	45,849	16,224		695,305	634,291
	190,667			190,667	178,142
	209,751	19,808	(68,968)	281,261	254,290
		1,417,043		1,417,043	
25,138	446,267	1,453,075	(68,968)	2,584,276	1,066,723
20,329	54,844	6,396		278,122	310,227
7,395	58,951	4,432		485,634	444,116
	1,234			38,713	
7,169	5,440			69,307	254,438
34,893	120,469	10,828		871,776	1,008,781
$ 545,011	$ 3,879,093	$ 2,052,249	$ (163,774)	$17,461,699	$15,471,233

Schedule 4 General Fund Expenditures and Other Deductions by Account and by Funding

	Salaries Academic	Salaries Support	Benefits	Health & Education Tax
Brought Forward	$ 7,138,795	$3,052,231	$ 804,433	$153,661
General Support:				
Alumni		33,440	3,048	611
Director of Planning		48,486	3,851	730
Print Shop		53,190	5,636	859
Computer Services		247,180	24,552	3,848
Purchasing		32,435	2,694	487
Public Communications		19,588	1,979	294
Mail Room & Supply Office		36,798	3,566	550
Registrar		208,636	20,026	3,286
Personnel		55,204	4,525	832
Telephone Office		24,064	1,517	429
Presidential Search				
Fundraising		30,747	2,158	408
Convocation				
Sundry Projects				
Telephone & Telegraph				
Postage				
Institutional Membership Fees				
Legal and Audit				
Bad Debt Expense				
		789,768	73,552	12,334
Plant Maintenance:		689,003	114,585	10,590
Taxes				
Insurance				
Security				
Service Contracts				
Utilities				
		689,003	114,585	10,590
Steam Plant		155,849	11,996	2,324
Utilities				
		155,849	11,996	2,324
Carried Forward	$ 7,138,795	$4,686,851	$1,004,566	$178,909

Travel	Supplies & Other Expenses	Miscellaneous Capital	Recoveries	Total March 31 1987	Total March 31 1986
$ 545,011	$ 3,879,093	$ 2,052,249	$ (163,774)	$17,461,699	$15,471,233
1,942	27,717	3,732	(10,283)	60,207	86,549
	19			53,086	
350	136,058		(209,333)	(13,240)	5,423
2,944	142,567	20,999	(35,726)	406,364	423,921
	2,504			38,120	37,127
2,360	25,622			49,843	86,818
	24,572		(19,422)	46,064	39,982
379	49,704	7,129		289,160	257,550
3,776	8,368			72,705	63,046
	168			26,178	36,978
					35,393
	17,099			50,412	23,340
	21,812			21,812	19,131
	607,515			607,515	438,161
	192,148		(160,317)	31,831	47,934
	99,116		(105,695)	(6,579)	1,147
	12,300			12,300	11,491
	81,636			81,636	63,360
	82,819			82,819	24,438
11,751	1,531,744	31,860	(540,776)	1,910,233	1,701,789
100	249,401	62,955	(146,659)	979,975	982,469
	1,056,383			1,056,383	937,556
	49,993			49,993	38,120
	37,531			37,531	53,195
	12,131			12,131	14,081
	310,746		(290,440)	20,306	(6,035)
100	1,716,185	62,955	(437,099)	2,156,319	2,019,386
	14,830			184,999	177,715
	282,578			282,578	298,463
	297,408			467,577	476,178
$ 556,862	$ 7,424,430	$ 2,147,064	$(1,141,649)	$21,995,828	$19,668,586

Schedule 4 General Fund Expenditures and Other Deductions by Account and by Funding

	Salaries Academic	Salaries Support	Benefits	Health & Education Tax
Brought Forward	$ 7,138,795	$4,686,851	$1,004,566	$178,909
Ancillary Enterprises:				
Bookstore		75,150	6,743	1,133
Cost of Sales				
Food Services		447,337	29,815	5,312
Food				
Utilities				
Residences		319,091	28,564	4,455
Utilities				
Mortgage				
Parking		11,325		
		852,903	65,122	10,900
Total Expenditures and Other Deductions, Statement B	$ 7,138,795	$5,539,754	$1,069,688	$189,809

ANNUAL FINANCIAL STATEMENT

Travel	Supplies & Other Expenses	Miscellaneous Capital	Recoveries	Total March 31 1987	Total March 31 1986
$ 556,862	$ 7,424,430	$ 2,147,064	$(1,141,649)	$21,995,828	$19,668,586
581	27,360			110,967	128,140
	604,017			604,017	553,473
2,265	280,786	40,960		806,475	821,844
	466,586			466,586	514,462
	58,342			58,342	56,036
4,997	166,476	1,742		525,325	613,630
	195,016			195,016	190,054
	216,587			216,587	216,587
	100,504			111,829	213,002
7,843	2,115,674	42,702	-	3,095,144	3,307,228
$ 564,705	$ 9,540,104	$ 2,189,766	$(1,141,649)	$25,090,972	$22,975,814

Schedule 5 Comparative Schedule of Revenues and Other Additions and Expenditures and Other Deductions, Ancillary Enterprises for the years ended March 31, 1987 and March 31, 1986

	Bookstore	Food Services
Revenues and Other Additions:		
Room and Board fees	$	$ 848,157
Conventions		50,596
Canteen and Vending Machines		303,015
Internal functions		59,883
Other	123,386	47,239
Book Sales	618,964	
Grant from Universities Grants Commission		
Total Revenues and Other Additions, Statement B	742,350	1,308,890
Expenditures and Other Deductions:		
Salaries	75,150	447,337
Staff benefits	7,876	35,127
Cost of goods sold	578,653	466,587
Management fee		122,959
Supplies and other expenses	25,945	160,091
Mortgage payments		
Utilities		58,342
Students' Union share of Bookstore profit	27,360	
Equipment, alterations and other		40,960
Site Services Amortization		
Total Expenditures and Other Deductions, Statement B	714,984	1,331,403
Net Revenues and Other Additions (Net Expenditures and Other Deductions)	$ 27,366	$ (22,513)

Parking	Residence	Total 1987	Total 1986
$	$ 605,234	$ 1,453,391	$ 1,623,050
	28,405	79,001	74,614
	6,283	309,298	287,000
		59,883	42,846
37,165	35,826	243,616	295,163
		618,964	571,092
	216,587	216,587	216,587
37,165	892,335	2,980,740	3,110,352
11,325	319,091	852,903	876,270
	33,019	76,022	66,819
		1,045,240	1,067,935
		122,959	119,450
27,014	171,474	384,524	426,275
7,632	216,587	224,219	225,147
5,202	195,016	258,560	246,090
		27,360	27,250
656	1,741	43,357	191,992
60,000		60,000	60,000
111,829	936,928	3,095,144	3,307,228
$ (74,664)	$ (44,593)	$ (114,404)	$ (196,876)

Schedule 6 Scholarship and Endowment Trust Fund Account

RESTRICTED FUNDS:	Capital	Current	Total
Alumni BUSU Sign Fund	$ 275	$ 42	$ 317
Alumni Equipment Fund	189	128	317
Alumni Library Fund	280	45	325
Annual Donor Scholarship Fund	-	12,263	12,263
Art Exhibition Fund	785	823	1,608
Bain, Lillian Memorial Scholarship Fund	2,320	1,113	3,433
Bilous, Procop and Dora Memorial Fund	1,100	533	1,633
Brandon Sun Centennial Chair in Journalism	10,000	(1,224)	8,776
Brandon University Athletic Awards Fund	-	1,457	1,457
Brandon University Development Fund	3,555	3,481	7,036
Bremner, Elizabeth Ann Award	2,407	250	2,657
Brown, Ian & Shirley Fund	1,277	1,064	2,341
Cameron, Una B. Memorial Fund	10,000	7,809	17,809
Campus Concert Series Fund		3,314	3,314
Chaudhari, Dr. D.K. Memorial Bursary Fund	5,142	1,431	6,573
Chevron Standard Ltd. Award	-	5,260	5,260
Christie, E.L. Memorial Fund	15,000	21,964	36,964
Christie, James Memorial Scholarship Fund	1,000	68	1,068
Clark, A. Memorial Book Prize	220	548	768
Corrigan Library Fund for Native Literature	497	821	1,318
Crescam Serviendo Award	675	84	759
Cumming, William Purdon Memorial Fund	5,000	4,998	9,998
Demchuk, Dr. N. Memorial Scholarship Fund	27,500	3,738	31,238
Dinsdale, W. Memorial Lecture Series	235	105	340
Dobson, Peter Memorial Scholarship Fund	600	35	635
Douglas, Isabelle Estate	5,000	6,185	11,185
Evans, J.R.C. Masonic Memorial Fund	2,415	1,689	4,104
Evans, J.R.C. Loan Fund	114,000	17,114	131,114
Faculty and Friends of the School of Music		68	68
Fraser, Merle (Lund) Memorial Bursary Fund	2,025	198	2,223
Friends of the Conservatory		2	2
Hannah, R. H. Scholarship Fund	1,250	165	1,415
Hargreaves-Mawdsley, N. Memorial Fund	1,695	771	2,466
Harvey, Ian J. Memorial Scholarship Fund	2,569	169	2,738
Hendzel, Gus Memorial Fund	2,200	775	2,975
Hill, Helen Memorial Scholarship Fund	5,100	538	5,638
Inch, Elizabeth and R.B. United Nations Fund	5,000	2,151	7,151
James of Goodlands Bursary Fund	3,000	1,345	4,345
Kidd, A. Vincent Memorial Scholarship Fund	6,265	6,641	12,906
Kyte, Delia Memorial Scholarship Fund	1,000	109	1,109
Lang, R. J. Memorial Fund	5,000	5,177	10,177
Library Development Fund	2,021	600	2,621
Lightbody, Dr. C.W. Memorial Fund	2,735	5,231	7,966
Lussier, Napoleon Memorial Fund	1,260	681	1,941
MacDowell, G.F. Economics Library Fund	25,000	1,929	26,929
Carried Forward	275,592	121,688	397,280

RESTRICTED FUNDS	Capital	Current	Total
Brought Forward	$275,592	$121,688	$397,280
MacDowell, G.F. General Library Fund	50,000	3,859	53,859
MacDowell, G.F. Memorial Scholarship Fund	50,000	3,859	53,859
MacIntyre, Alexander Prize in Education	2,500	5,753	8,253
MacNeill, Dr. G. Estate	6,728	3,910	10,638
Mann, Jean Memorial Fund	2,000	2,040	4,040
McCarthy, R.J. Memorial Scholarship Fund	812	1,133	1,945
McGinn, J.A. Fellowship	1,900	798	2,698
McGregor, W. Memorial Fund	2,400	1,554	3,954
McKenzie, A.E. Foundation	297,278	–	297,278
McLeod, Dr. J.A. Scholarship Fund	1,310	935	2,245
McMillan, Neil Scholarship Fund	4,600	4,374	8,974
Music Bursary Fund		1,175	1,175
Orchard Memorial Fund	3,500	4,992	8,492
Patmore, R. H. Memorial Fund	10,000	4,010	14,010
Penton, Terry Scholarship Fund	16,125	1,239	17,364
Perdue, Dr. H.S. Memorial Scholarship Fund	2,045	507	2,552
Popper, Karl Scholarship in Philosophy	3,000	211	3,211
Riley, Christopher Estate	34,633	33,413	68,046
Robbins, John and Catherine Scholarship Fund	36,006	11,745	47,751
Rowe, G. R. Memorial Fund	10,000	25,302	35,302
School of Music Building Fund	–	140,104	140,104
Sharpe, Peggy Piano Scholarship Fund	4,595	(19)	4,576
Simmons, R. Murray Memorial Fund	6,263	3,065	9,328
Smart, John Gregson Memorial Fund	12,500	2,109	14,609
Smart, Mary Development Fund	25,000	2,018	27,018
Smart, Mary Memorial Scholarship Fund	75,000	7,053	82,053
Stewart, Dr. D. B. Scholarship Fund	1,250	165	1,415
Stott-McMillan, M. Scholarship Fund	4,000	1,488	5,488
Students Benevolent Fund		2,512	2,512
SUSA Trust Fund	–	26,561	26,561
Taylor, B.H. Memorial Bursary Fund	2,750	249	2,999
Taylor, Laura Grace Scholarship Fund	25,054	730	25,784
Vasey, Jane Memorial Fund	15,551	1,765	17,316
Vining, Abbie and Arthur Memorial Fund	20,000	36,566	56,566
Whiteside, E. A. Fund	2,300	8,644	10,944
Whyte, Alex Memorial Fund	7,477	4,717	12,194
Wong, W. G. Scholarship Fund	2,173	436	2,609
Wright, Don Scholarships in Music	14,000	2,171	16,171
Wright, W.L. and A.E. Memorial Fund	2,010	1,512	3,522
Zonta Club Scholarship	5,000	890	5,890
Carried Forward	1,035,352	475,233	1,510,585

	Capital	Current	Total
Brought Forward	$1,035,352	$475,233	$1,510,585
UNRESTRICTED FUNDS:			
Alumni - General Fund	1,075	33	1,108
Bass, W.K. Estate Bequest	5,000	-	5,000
Brandon University Association Fund	5,934	-	5,934
Brandon University Development Fund	5,307	-	5,307
Clark, Carrie B. Estate	4,022	3,100	7,122
Class of 1930 Gift	2,495	-	2,495
Class of 1931 Gift	1,475	-	1,475
Class of 1934 Gift	600	-	600
Diefenbaker, John G. Estate	1,100	633	1,733
Dulmage, Dr. A. L. Fund	4,290	1,511	5,801
Fenwick, Thomas F. Estate	7,140	-	7,140
Fraser, Blair Memorial Fund	500	395	895
Gainer, Pearl Edith Estate	14,990	-	14,990
MacDowell, G.F. Gift	90,660	1,161	91,821
Sanders, C. J. Estate	596,457	(2,278)	594,179
Whitfield-Clark, Dr. C. Memorial Fund	11,510	7,371	18,881
Woodhull, Lillian K. Estate	500	-	500
	753,055	11,926	764,981
Balance at end of year, Statement D	$ 1,788,407	$ 487,159	$ 2,275,566

Manitoba

BRANDON UNIVERSITY RETIREMENT PLAN

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits 1, 2 and 3, of the Brandon University Retirement Plan for the fiscal year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Plan as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

August 17, 1987,
Winnipeg, Manitoba.

Exhibit 1

BRANDON UNIVERSITY RETIREMENT PLAN

Balance Sheet
as at December 31, 1986
(with 1985 figures for comparison)

ASSETS

	1986	1985
Accounts Receivable	$ 111,938	$ 109,156
Held by The Great-West Life Assurance Company		
Deposit Fund	235,810	331,046
Mortgage Fund	3,685,813	3,293,777
Bond Fund	1,645,107	2,436,723
Canadian Equity Index Fund	5,920,909	4,256,048
Real Estate Fund	1,518,467	1,217,363
Money Market Fund	2,160,749	1,236,651
U.S. Equity Fund	1,613,322	1,389,299
Transaction Account	(13,072)	50,623
	16,767,105	14,211,530
TOTAL ASSETS	$ 16,879,043	$ 14,320,686

LIABILITIES

	1986	1985
Accounts Payable	$ 4,500	$ 3,875
Reserve for Present and Future Pension Benefits, Exhibit 2	16,874,543	14,316,811
TOTAL LIABILITIES	$ 16,879,043	$ 14,320,686

The accompanying notes are an integral part of the financial statements.

Exhibit 2

BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Changes in the Reserve for Present and Future Pension Benefits
for the year ended December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Additions:		
Contributions:		
Members, regular	$ 627,633	$ 563,693
Members, voluntary	49,183	14,280
University, regular	527,473	505,547
	1,204,289	1,083,520
Experience refund, prior plan	32,152	-
Investment income, Exhibit 3	1,572,658	2,591,900
Total Additions	2,809,099	3,675,420
Deductions:		
Benefits:		
Retirements	39,986	160,029
Refunds	84,857	83,365
Deaths	15,164	17,778
	140,007	261,172
Special payments (Note 2(c))	12,887	2,005,682
Administration Expenses:		
Agency fees	90,048	81,588
Audit fees	4,500	3,875
Trustee expenses	3,925	3,106
	98,473	88,569
Total Deductions	251,367	2,355,423
Net increase for the year	2,557,732	1,319,997
Balance at beginning of year	14,316,811	12,996,814
Balance at end of year, Exhibit 1	$ 16,874,543	$ 14,316,811

The accompanying notes are an integral part of the financial statements.

Exhibit 3

BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Investment Income
for the year ended December 31, 1986
(with 1985 figures for comparison)

	Interest and Dividends	Adjustments to Market Values	Total 1986	Total 1985
Investment Income, (Note 1(b)				
Deposit Fund	$ 21,208	$ -	$ 21,208	$ 29,455
Mortgage Fund	382,561	9,475	392,036	493,093
Bond Fund	178,077	30,306	208,383	454,797
Canadian Equity Index Fund	-	389,861	389,861	1,015,366
Real Estate Fund	-	171,104	171,104	136,045
Money Market Fund	169,098	-	169,098	52,421
U.S. Equity Fund	-	224,023	224,023	410,431
Transaction Account	(3,055)	-	(3,055)	292
Investment Income, Exhibit 2	$ 747,889	$ 824,769	$ 1,572,658	$ 2,591,900

The accompanying notes are an integral part of the financial statements.

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements
December 31, 1986

1. **ACCOUNTING POLICIES:**

(a) The Brandon University Retirement Plan follows the accrual basis of accounting.

(b) Investments are stated at market value as at each fiscal year end. The market value of the investments is supplied by The Great-West Life Assurance Company. The increase or decrease in value of the investments is reflected in the income for the fiscal year.

2. **GENERAL COMMENTS:**

(a) The Brandon University Retirement Plan is a Trusteed Plan established April 1, 1974. The assets of the Plan are held in the name of the Trustees of Brandon University. There are nine Trustees and an Investment Committee of three members. The Great-West Life Assurance Company administers the Plan under the terms of an agreement entered into with the Trustees dated January 1, 1979.

(b) The financial statements do not take into account actuarial valuations and therefore do not reflect the financial position of the Plan on an actuarial valuation basis. An actuarial valuation to determine the Plan's position as required by The Pension Benefits Act of Manitoba was completed as at January 1, 1986. This valuation established a Plan surplus of $1.448 million as at that date. The next actuarial valuation is required as at January 1, 1989.

(c) The Plan made special payments in the total amount of $12,887 (1985 - $2,005,682) to The Great-West Life Assurance Company to complete the purchase of annuities, effective August 1, 1985, for the improvement of pension benefits being paid to members of the prior plan in accordance with an amendment to the plan approved effective April 1, 1985.

(d) Brandon University provides the services of support staff and other miscellaneous administrative services at no charge to the Plan.

Manitoba

CHANNEL AREA LOGGERS LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Channel Area Loggers Ltd. as at March 31, 1987 and the statement of revenues and expenditures, the statement of changes in financial position and the schedules of operating expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

September 25, 1987,
Winnipeg, Manitoba.

Exhibit A

CHANNEL AREA LOGGERS LTD.

(Incorporated Under The Corporations Act, Manitoba)

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

	1987	1986
CURRENT ASSETS:		
Accounts receivable (Note 2)	$ 162,933	$ 200,745
Subsidy receivable from the Government of the Province of Manitoba	26,430	253,541
Inventories (Note 3)	77,333	115,716
Prepaid expenses	613	-
Total current assets	267,309	570,002
FIXED ASSETS (Note 4)	463,697	462,188
Less accumulated depreciation	262,297	232,067
Net fixed assets	201,400	230,121
GUARANTEE DEPOSIT WITH THE GOVERNMENT OF THE PROVINCE OF MANITOBA	900	900
TOTAL	$ 469,609	$ 801,023

LIABILITIES AND SHAREHOLDERS' EQUITY

	1987	1986
CURRENT LIABILITIES:		
Excess of outstanding cheques over bank balances	$ 9,188	$ 155,613
Bank demand loan (Note 5)	80,000	176,000
Accounts payable (Note 6)	80,331	133,185
Advances from the Government of Canada (Note 7)	-	36,135
Total current liabilities	169,519	500,933
SHAREHOLDERS' EQUITY:		
Capital stock (Note 8):		
Authorized: 35,000 common shares, maximum consideration not to exceed $350,000		
Issued: 30,009 shares	300,090	300,090
TOTAL	$ 469,609	$ 801,023

Exhibit B

CHANNEL AREA LOGGERS LTD.

Statement of Revenues and Expenditures for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
REVENUES:		
Pulpwood sales	$ 1,258,316	$ 1,043,281
Commissary sales	209,905	181,139
Board charges	32,333	26,060
Miscellaneous	48,319	17,314
Reforestation program (Note 10)	100,403	56,000
Log sales	10,066	-
Total revenues	1,659,342	1,323,794
EXPENDITURES:		
Direct logging costs (Schedule 1)	1,200,351	902,594
General and administrative (Schedule 2)	208,783	264,366
Commissary	167,180	147,521
Reforestation program (Note 10)	99,150	37,122
Total expenditures	1,675,464	1,351,603
	(16,122)	(27,809)
OTHER INCOME:		
Gain on disposal of fixed assets	3,191	9,908
Excess (deficiency) of revenues over expenditures before operating assistance from the Government of the Province of Manitoba	(12,931)	(17,901)
Operating Assistance from the Government of the Province of Manitoba - General subsidy	8,531	17,901
- Specific subsidy	4,400	-
	12,931	17,901
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -

Exhibit C

CHANNEL AREA LOGGERS LTD.

Statement of Changes in Financial Position
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
CASH PROVIDED BY (USED FOR):		
Operating Activities:		
Items not involving cash:		
Depreciation	$ 45,892	$ 50,339
Gain on disposal of fixed assets	(3,191)	(9,908)
	42,701	40,431
Net change in non-cash working capital balances related to operations	213,703	36,136
	256,404	76,567
Investing activities:		
Additions to fixed assets	23,879	44,557
Net proceeds from disposal of fixed assets	(9,900)	(12,100)
	13,979	32,457
INCREASE IN CASH	242,425	44,110
CASH DEFICIENCY AT BEGINNING OF PERIOD	(331,613)	375,723
CASH DEFICIENCY AT END OF PERIOD	$ 89,188	$ 331,613
Represented by:		
Bank loan	$ 80,000	$ 176,000
Outstanding cheques	9,188	155,613
	$ 89,188	$ 331,613

Schedule 1

CHANNEL AREA LOGGERS LTD.

Schedule of Direct Logging Costs
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
INVENTORY AT BEGINNING OF THE YEAR	$ 29,127	$ 16,793
PRODUCTION EXPENSES:		
Contract wood purchases	442,618	360,968
Cutters wages and fringe benefits	199,487	144,776
Depreciation	13,154	17,050
Transportation:		
Contract hauling to landing	252,320	202,362
Forwarding to roadside	6,610	72
Freight and fuel movement	9,704	10,778
Personnel transport	12,754	11,129
Road construction and maintenance, net	117,476	73,750
Timber dues	46,488	41,454
Supervision	5,528	8,257
Repairs and maintenance	36,195	29,837
Sundry	659	-
Kitchen and dormitory	28,231	14,495
Total production expenses	1,171,224	914,928
INVENTORY AT END OF THE YEAR	-	29,127
DIRECT LOGGING COSTS, EXHIBIT B	$ 1,200,351	$ 902,594

Schedule 2

CHANNEL AREA LOGGERS LTD.

Schedule of General and Administrative Expenses for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Salaries, wages and fringe benefits	$ 75,773	$ 92,997
Interest and service charges	11,948	40,436
Travel and accommodation	5,304	3,680
Mobile home	6,968	3,042
Communications	5,814	3,559
Bad debts	4,848	32,145
Legal, audit and accounting	24,614	24,937
Directors' travel and accommodation	490	5,281
Directors' fees	3,745	2,760
Office supplies and utilities	3,535	2,126
Taxes, licences and fees	919	4,873
Insurance	30,468	14,961
Depreciation	32,738	33,289
Miscellaneous	1,619	280
GENERAL AND ADMINISTRATIVE EXPENSES, EXHIBIT B	$ 208,783	$ 264,366

CHANNEL AREA LOGGERS LTD.

Notes to the Financial Statements
March 31, 1987

1. Significant Accounting Policies

The following is a summary of the significant accounting policies of the Company.

Inventories:

Pulpwood inventory is valued at the lower of cost or net realizable value based upon the agreed price of deliveries to the purchaser, less an allowance for cullage and shrinkage.

Other inventories are valued at cost.

Fixed assets:

Fixed assets are stated at cost. It is the company's policy tc provide for depreciation of fixed assets on the basis shown in note 4.

Revenue recognition:

Pulpwood sales are recognized on the basis of pulpwood delivered to landing and scaled in accordance with the terms of the sales contract.

2. Accounts Receivable

The major categories of accounts receivable are:

	1987	1986
General	$ 114,359	$ 170,089
Government of the Province of Manitoba	4,400	-
Contract cutters	44,174	30,656
	$ 162,933	$ 200,745

3. Inventories

The major categories of inventory are:

	1987	1986
Pulpwood	$ -	$ 29,127
Other:		
Commissary supplies	1,548	933
Parts and supplies	24,206	32,828
Gasoline, diesel fuel and oil	48,414	49,075
Kitchen supplies	3,165	3,753
	77,333	86,589
	$ 77,333	$ 115,716

CHANNEL AREA LOGGERS LTD.

Notes to the Financial Statements
March 31, 1987

4. Fixed Assets

The major categories of fixed assets and related accumulated depreciation at March 31, 1987 are:

	Cost	Accumulated Depreciation	Rates
Buildings and Trailers	$ 319,607		
Less: Funded by the Government of Canada	67,298		
	252,309	134,774	10%
Machinery and Equipment	232,577		
Less: Funded by the Government of the Province of Manitoba	21,189		
	211,388	127,523	10-20%
Road	273,164		
Less: Funded by the Government of Canada	273,164		
	-	-	
	$ 463,697	$ 262,297	

It is the company's practice to provide for depreciation of buildings, trailers, machinery and equipment under the straight-line basis at the rates shown above.

5. Bank Demand Loan

The bank demand loan is guaranteed by the Government of the Province of Manitoba to a maximum of $500,000 including unpaid interest.

6. Accounts Payable

The major categories of accounts payable are:

	1987	1986
Trade	$ 15,474	$ 62,541
Wage deductions	2,837	20,387
Employees	8,846	-
Government of the Province of Manitoba	53,174	50,257
	$ 80,331	$ 133,185

7. Advances from the Government of Canada

The advance received from the Government of Canada, to assist the Company with the costs of constructing a dry weather road, was fully expended on road construction during 1987.

8. Capital Stock

The issued shares are held by the Government of the Province of Manitoba except for nine shares which are held by the appointed directors in trust for Her Majesty the Queen in right of the Province of Manitoba.

9. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides the services of the Secretary-Treasurer and other miscellaneous administrative services at no charge to the Company. The cost of these services is approximately $55,000 (1986 - $55,000). The Government of the Province of Manitoba also provides Workers Compensation coverage for Company staff at no charge to the Company.

10. Reforestation Program

The Company undertook a reforestation program under an agreement with the Government of the Province of Manitoba. The agreement provided for payments to the Company on the basis of the number of seedlings planted. Indirect expenditures pertaining to camp operations and administration are not allocated to the program. The agreement terminated in September, 1986.

11. Economic Dependence

The Company is economically dependent on the Government of the Province of Manitoba.

CHANNEL AREA LOGGERS LTD.

Notes to the Financial Statements
March 31, 1987

12. Comparative Figures

Certain figures for the preceding period, as set out in the Statement of Changes in Financial Position - Exhibit C, have been reclassified to conform with the presentation adopted for this Statement in 1987.

Manitoba

THE CIVIL SERVICE SUPERANNUATION FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to E and Schedules 1 to 4, of The Civil Service Superannuation Fund for the fiscal year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied, after giving retroactive effect to the change in the method of accounting for the amortization of realized gains or losses on the actively traded part of the fixed income investment portfolio as explained in note 3, on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

March 14, 1987,
Winnipeg, Manitoba.

Exhibit A

THE CIVIL SERVICE SUPERANNUATION FUND
Balance Sheet as at December 31, 1986
(with 1985 figures for comparison)

	1986	1985
ASSETS		
Cash	$ 690,233	$ 11,868
Employees' and employers' contributions and payments receivable	434,190	264,509
Investments, Schedule 1, Note 2(b)	650,687,293	573,648,628
Accrued investment income	12,227,483	9,032,875
Debt due from the Province of Manitoba, Note 2(c)	1,826,300	1,826,300
Furniture, fixtures and equipment, at nominal value	1	1
Computer equipment, Note 2(d) at cost less accumulated amortization: 1986 - $51,139 1985 - $27,537	90,474	104,340
Computer programs development expenses, Note 2(d) at cost less accumulated amortization: 1986 - $28,756 1985 - $25,802	12,188	12,933
	$665,968,162	$584,901,454
LIABILITIES		
Accounts payable	$ 23,283	$ 6,183
Money purchase accounts plan, Exhibit E, Note 6	151,059	54,046
Accumulated unrealized foreign exchange, Note 7	192,564	700,135
Provision for investment losses, Exhibit C, Note 2(b)(v)	697,624	893,987
Superannuation indexing adjustment account, Exhibit D, Note 2(e)	39,014,467	34,751,052
Reserve for present and future benefits, Exhibit B	625,889,165	548,496,051
	$665,968,162	$584,901,454

Exhibit B

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Changes in the Reserve for Present and Future Benefits
for the year ended December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Additions:		
Employers' and employees' payments and contributions, Schedule 2	$ 66,731,516	$ 60,726,998
Investment income, Schedule 3	67,439,010	60,485,182
Interest on debt due from the Province of Manitoba, Note 2(c)	73,052	73,052
Bank and other interest	75,020	61,501
Total additions	134,318,598	121,346,733
Deductions:		
Superannuation and supplementary allowances	47,106,830	40,667,783
Refunds of contributions and interest	4,356,138	3,702,130
Payments of employee contributions to other pension plans	282,718	470,144
Administrative expenses, net, Schedule 4	916,383	885,156
	52,662,069	45,725,213
Transfer:		
Net transfer to superannuation indexing adjustment account, Exhibit D	4,263,415	4,095,938
Total deductions	56,925,484	49,821,151
Net increase for the year	77,393,114	71,525,582
Balance at beginning of year, before restatement	548,271,642	476,965,033
Adjustment of prior years, Note 3	224,409	5,436
After restatement	548,496,051	476,970,469
Balance at end of year, Exhibit A	$625,889,165	$548,496,051

Exhibit C

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Changes in the Provision for Investment Losses for the year ended December 31, 1986 (with 1985 figures for comparison)

	1986	1985
Addition:		
Transfer from investment income, Schedule 3	$ 650,687	$ 573,424
Total addition	650,687	573,424
Deduction:		
Net write-down of permanently impaired investments	847,050	219,723
Total deduction	847,050	219,723
Net increase (decrease) for the year	(196,363)	353,701
Balance at beginning of year	893,987	540,286
Balance at end of year, Exhibit A	$ 697,624	$ 893,987

Exhibit D

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Changes in the Superannuation Indexing Adjustment Account for the year ended December 31, 1986 (with 1985 figures for comparison)

	1986	1985
Additions:		
Allocation of 10.2% of employees' contributions	$ 4,332,794	$ 4,012,187
Interest	4,293,988	3,867,979
Total additions	8,626,782	7,880,166
Deductions:		
Charge for one-half of all superannuation adjustments	4,363,367	3,784,228
Total deductions	4,363,367	3,784,228
Net transfer from reserve for present and future benefits, Exhibit B	4,263,415	4,095,938
Balance at beginning of year	34,751,052	30,655,114
Balance at end of year, Exhibit A	$39,014,467	$34,751,052

Exhibit E

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Money Purchase Accounts Plan
for the year ended December 31, 1986

(with 1985 figures for comparison)

	1986	1985
Additions:		
Deposits	$ 92,305	$ 52,046
Interest income	7,683	2,276
	99,988	54,322
Deductions:		
Refund of deposits	1,421	-
Bank charges	-	27
Administration fees charged by Civil Service Superannuation Fund	1,554	249
	2,975	276
Increase for the year	97,013	54,046
Balance at beginning of year	54,046	-
Balance at end of year, Exhibit A	$ 151,059	$ 54,046

Schedule 1

THE CIVIL SERVICE SUPERANNUATION FUND
Summary of Investments
as at December 31, 1986

	Par Value	Book Value
Fixed income investments, Note 2(b)(i)		
Term deposits	$ 90,903,104	$ 90,903,104
Bonds and debentures		
Government of Canada	$ 48,675,000	50,681,881
Province of Manitoba	26,083,000	25,922,618
Province of Nova Scotia	1,600,000	1,600,000
Province of Ontario	25,125,000	25,263,547
Province of Saskatchewan	4,000,000	4,000,000
Hospitals	4,087,500	4,087,500
Municipal Corporations	7,964,000	7,997,293
Corporations	217,963,604	166,629,562
	$335,498,104	286,182,401
Pooled bond funds		3,908,176
		290,090,577
Mortgages		
Insured, National Housing Act (Canada)	$ 91,510,906	86,433,034
Uninsured	36,861,572	36,827,614
	$128,372,478	123,260,648
Pooled mortgage funds		6,526,531
		129,787,179
Unamortized losses (gains) on disposition		(1,674,456)
Total fixed income investments at amortized cost		509,106,404
Equity investments, Note 2(b)(iii)		
Common stock		2,160,987
Pooled equity funds		
Canadian		31,725,738
Non-Canadian		38,020,745
Petroleum and natural gas investments		
Shares and pooled funds		11,259,900
Investment in subsidiary, Notes 2(b)(ii) and 5		7,770,971
Venture capital, limited partnerships		2,551,582
Real estate, Note 2(b)(iv)		
Participating bonds		25,777,729
Qualifying shares		2,040,800
Units of pooled real estate		9,182,790
Accumulated unrealized appraisal adjustments		11,142,858
Unamortized losses (gains) on disposition		(53,211)
Total equity investments		141,580,889
Total investments, Exhibit A		$650,687,293

Schedule 2

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Payments and Contributions for the year ended December 31, 1986

	Employers' payments and contributions	Employees' payments and contributions	Total
Province of Manitoba Civil Service	$11,609,676	$23,668,880	$35,278,556
Manitoba Telephone System	5,568,485	6,970,342	12,538,827
Manitoba Hydro-Electric Board	4,288,425	6,401,862	10,690,287
Liquor Control Commission	967,649	605,777	1,573,426
Manitoba Health Services Commission	408,810	955,440	1,364,250
Manitoba Public Insurance Corporation	113,926	1,478,644	1,592,570
Manitoba Agricultural Credit Corporation	70,238	101,686	171,924
Manitoba Crop Insurance Corporation	77,268	118,600	195,868
Manitoba Development Corporation	8,649	17,386	26,035
Communities Economic Development Fund	-	31,163	31,163
Teachers' Retirement Allowances Fund Board	1,279	27,228	28,507
Civil Service Superannuation Board	-	33,417	33,417
Workers Compensation Board	32,441	-	32,441
Manitoba Hog Producers' Marketing Board	38,450*	38,450	76,900
Local Government Districts	2,703*	2,703	5,406
Manitoba Government Employees' Association	67,071*	67,071	134,142
Universities Grants Commission	7,368	8,902	16,270
Manitoba Centennial Centre Corporation	28,204	82,714	110,918
Manitoba Milk Producers' Marketing Board	31,703*	31,703	63,406
Housing Authorities	223,609*	224,483	448,092
Manitoba Water Services Board	16,712*	16,033	32,745
Manitoba Turkey Producers' Marketing Board	8,923*	8,923	17,846
Alcoholism Foundation of Manitoba	28,979	295,847	324,826
Manitoba Horse Racing Commission	-	15,025	15,025
Manitoba Data Services	21,892	360,753	382,645
Manitoba Research Council	52,791*	76,056	128,847
Manitoba Beef Commission	23,676*	24,950	48,626
Manitoba Lotteries Foundation	4,229	134,873	139,102
The Legal Aid Services Society of Manitoba	-	145,095	145,095
Manitoba Milk Prices Review Commission	-	456	456
Manitoba Energy Authority	-	11,522	11,522
Public Schools Finance Board	-	1,654	1,654
Human Resources Opportunity Centres	11,760*	11,760	23,520
Employees on workers compensation	-	300	300
Employees on loan	15,604	15,264	30,868
Repayment of contributions previously refunded	-	98,288	98,288
Payments based on prior non-pensionable employment	-	429,184	429,184
Payments based on war service	136	32,822	32,958
Receipts from other pension plans re transfer of employee benefits under reciprocal agreements	-	455,604	455,604
Total payments and contributions, Exhibit B	$23,730,656	$43,000,860	$66,731,516

*Employers' contributions based on employees' remuneration

Schedule 3

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Investment Income
for the year ended December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Fixed income:		
Interest	$ 54,981,749	$ 50,193,085
Foreign exchange, Note 7	48,141	173,987
Amortization of discounts (premiums), net, Note 2(b)(i)	416,111	364,663
Amortization of realized gains, Note 2(b)(i)	730,917	472,373
Transfer to provision for investment losses, Exhibit C, Note 2(b)(v)	(650,687)	(573,424)
	55,526,231	50,630,684
Equity income:		
Net income of the subsidiary, Note 5	754,343	1,584,266
Real estate dividends and interest, Note 2(b)(iv)	3,011,129	1,818,207
Other dividends and interest	3,000,511	2,689,400
Unrealized appraisal adjustments, Note 2(b)(iii)	5,109,820	3,718,642
Amortization of realized gains, Note 2(b)(iii)	36,976	43,983
	11,912,779	9,854,498
Total investment income, Exhibit B	$ 67,439,010	$ 60,485,182

Schedule 4

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Administrative Expenses, Net
for the year ended December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Salaries and fringe benefits:		
Salaries - permanent staff	$ 622,937	$ 594,846
Salaries - part-time staff	10,967	3,293
Fringe benefits	39,113	34,842
Pensions paid - employer cost	18,130	16,912
Health and post-secondary education tax levy	10,682	9,888
	701,829	659,781
Professional fees:		
Actuary - pension	45,334	54,847
Audit	33,200	28,850
Legal Fees	13,002	-
	91,536	83,697
Computer related costs:		
Amortization of equipment	23,602	21,980
Amortization of program development expense	2,954	3,427
Micro-Computer and software	3,979	-
Maintenance and supplies	10,828	9,872
	41,363	35,279
Printing and stationery:		
Microfilming	3,282	1,064
Photocopy service	4,685	4,224
Printing	30,888	18,333
Stationery and supplies	22,055	16,043
	60,910	39,664
Other:		
Bank and investment management	113,562	115,395
Furniture and fixtures	6,659	5,599
Machine rentals and servicing	3,589	5,660
Medical examinations	5,899	6,396
Miscellaneous	15,790	12,594
Seminars and travelling	14,222	13,922
Telephone, postage and delivery	21,407	18,771
	181,128	178,337
Subtotal, carried forward	$1,076,766	$ 996,758

Schedule 4 continued

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Administrative Expenses, Net
for the year ended December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Subtotal, brought forward	$1,076,766	$ 996,758
Less, Operating recoveries:		
Public Service Group Insurance Fund administration	(117,410)	(72,807)
Municipal Employees Benefits Board administration	(41,419)	(38,546)
Money Purchase Accounts Plan, Note 6	(1,554)	(249)
Total administrative expenses, net, Exhibit B	$ 916,383	$ 885,156

THE CIVIL SERVICE SUPERANNUATION FUND
Notes to the Financial Statements
for the year ended December 31, 1986

1. Nature of the Organization

The Civil Service Superannuation Fund is the pension plan for employees of the Government of Manitoba and its agencies as listed in Schedule 2. The employee contributions to the Fund and the employer contributions, where matching contributions are required, are administered by the Civil Service Superannuation Board. In addition, the Fund collects from the non-matching employers 50% of the monthly pension, including indexing adjustments, paid in respect of retired employees or surviving beneficiaries, and 50% of any vested amounts transferred out of the Fund on behalf of employees.

The Civil Service Superannuation Board was established under The Civil Service Superannuation Act in May, 1939 and is responsible for administering the Act. Schedule 4 sets out the administrative expenses incurred by the Fund.

2. Significant Accounting Policies:

The significant accounting policies are summarized below:

(a) The Fund follows the accrual basis of accounting except for refunds of employees' contributions which are reflected on the cash basis.

(b) The investment valuation and income measurement policies consist of:

(i) Fixed income investments:

Premiums and discounts of one percent or less of par value are reflected in income in the year of acquisition. All other premiums and discounts are amortized to income on a straight line basis over the term of the investment commencing with the year of acquisition.

Zero coupon bonds are valued at the date of purchase and at the end of the year based on the purchase yield and the remaining term to maturity. The difference in the value of the bond from the date of purchase or the previous year end to the current year end will be charged or credited to income in the current year.

The majority of the Fund's fixed income investment portfolio is held for the long term and a part of the portfolio is traded actively. For long term holdings, the gains or losses on disposition, before maturity, are amortized to income on a straight line basis over the remaining term of the investment to a maximum of 20 years. The unamortized balances remain as part of the book value of the total investments. For those which are traded actively, the accounting is segregated and one-fifth of the realized gains or losses is reflected in income in the year of disposition. The remaining four-fifths is reflected in the value of investment assets and amortized to income in equal amounts over the next four years.

2. (b) (continued)

(ii) Investment in subsidiary:

The investment in the wholly-owned subsidiary Superannuation Resource Investment Corporation of Manitoba Inc. is accounted for on the equity method. For the purpose of preparing the financial statements of the Fund, the Fund management estimates the income from the subsidiary for the year. Any adjustment required to reflect actual income will be recorded in the subsequent year.

(iii) Equity investments:

Equity investments are recorded at cost.

Petroleum and natural gas, and limited partnership investments have restrictions on their disposition.

One-fifth of any realized gains or losses is reflected in income in the year of disposition. The remaining four-fifths is reflected in the value of the investment assets and amortized to income in equal amounts over the next four years.

One-fifth of the difference between the book value and the established market value of equity investments as at the end of the fiscal year is reflected in income and the offset reflected as an unrealized appraisal adjustment.

(iv) Real estate equity investments:

Income from real estate equity investments, evidenced by participating bonds, represents the Fund's proportionate share of the net cash flow generated by the underlying properties with no allowance having been made for depreciation. In the event the income from a property is insufficient to pay the cost of its operations, the Fund is liable to make additional payments, without limitation in amount, equal to its share of such a deficiency.

Pooled real estate investments are recorded at cost plus the proportionate share of earnings reported by the property manager.

(v) Provision for investment losses:

Effective January 1, 1984, 1/10 of 1% of the book value of the investment assets is transferred annually to the provision for investment losses from investment income to a maximum of the provision not exceeding 1% of the book value of investment assets.

2. (b) (continued)

Impairment in the value of investments, considered to be permanent by the Investment Committee, is charged to the provision for investment losses.

(vi) Foreign currency translation:

The Fund has adopted the recommendations of the Canadian Institute of Chartered Accountants whereby assets recorded in foreign currency are translated into Canadian currency at the prevailing year end rate of exchange, while revenues and related transaction charges recorded during the year are translated at the existing month end prevailing rate of exchange.

The translation adjustments required for these transactions, together with foreign exchange on the purchase and sale of foreign currency are recorded in the accumulated unrealized foreign exchange account. One-fifth of the accumulated unrealized foreign exchange account is reflected in income for the year.

(c) Debt due from the Province of Manitoba:

The Province of Manitoba assumed an accrued liability of $1,826,300 on account of its employees and pensioners as at May 1, 1939. The Province pays half-yearly interest on March 31st and September 30th at 4% per annum and may pay all or part of the debt at its option. In accordance with Section 24(1) of the Act, the aforementioned amount has been recorded as debt due from the Province.

(d) Computer:

Mini computer equipment costs and program development expenses are capitalized and amortized on a straight line basis over six years.

Micro computer equipment and software expenses are expensed in the year of acquisition.

(e) Superannuation indexing adjustment account:

In accordance with amendments to the Act, effective July 1, 1977, a program of controlled indexing was implemented whereby 10.2% of employees' annual contributions are allocated to a superannuation indexing adjustment account. Interest is allocated to the account on a basis related to the yield earned by the Fund on its mortgages, bonds and debentures. The account is intended to fund 50% of the cost-of-living adjustment payments made to pensioners and beneficiaries and the non-matching employers are billed for 50% of the payments to their retired employees.

2. (e)(continued)

Effective July 1 of each year, cost-of-living superannuation adjustment payments are calculated in accordance with the formula set out in the Civil Service Superannuation Act, section 32.1(7). The formula is based on the Consumer Price Index increase in the previous calendar year and the increase in the calculated benefit index. Section 32.1(8) requires the calculated adjustment to be reduced if, in the opinion of the actuary, the adjustment would result in an unfunded liability in the superannuation indexing adjustment account as at December 31 of the preceding year.

The annual actuarial valuation of the superannuation indexing adjustment account as at December 31, 1985 revealed that $7,991,352 was available to actuarially finance additional cost-of-living increases for pensioners. Effective July 1, 1986, the Board approved and paid the actuarially calculated superannuation adjustment for 1986 in accordance with the formula set out in the Act, equal to:

a) 2.18% (1985 - 1.89%) of the total lifetime pension plus any previously granted adjustments in that allowance, and

b) 59¢ (1985 - 45c) per month for each year of service, to a maximum of 35 years,

for those employees who retired before January 1, 1985. Employees who retired after that date, but before July 1, 1986, were paid a pro-rata portion of the adjustment. Beneficiaries of deceased pensioners receive two-thirds of the adjustment that the pensioner would have been eligible for. The present value of the July 1, 1986 adjustment has been actuarially calculated to be equal to $4,728,800 as at December 31, 1985, leaving a balance of $3,262,552 available in the superannuation indexing adjustment account as at that date.

(f) Actuarial valuations:

(i) The financial statements do not take into account actuarial valuations and, therefore, do not reflect the financial position of the Fund on an actuarial basis. In accordance with the Act, an actuarial valuation and report is required every three years. The most recent actuarial report on The Civil Service Superannuation Fund, as at December 31, 1983, disclosed a surplus of $17,698,138. The actuarial valuation as at December 31, 1986 has not yet been completed.

(ii) The Board has a legislative requirement to pay as an annual administrative expense, one-half of the pension benefits paid by the Fund on behalf of its retired employees. On the basis of an actuarial report, the unfunded provision for the Board's employees as at December 31, 1986 is estimated to be $474,048 (1985 - $418,039).

3. Change in accounting policy:

The Fund's policy on amortization of realized gains or losses for the actively traded part of the fixed income investment portfolio was changed during 1986 to a five year basis as described in Note 2(b)(i). Previously these gains or losses were amortized over the remaining term of the investment to a maximum of 20 years. This change, which has been retroactively applied, resulted in increasing the book value of investments and the reserve for present and future pension benefits by $287,712 (1985 - $224,409) and increasing the investment income by $63,303 (1985 - $218,973).

4. Amendments to the Civil Service Superannuation Act in 1986 provided for:

(a) improving the pension formula to the average of the best five of the last twelve years of service.

(b) authorizing the Fund to credit the Government of Manitoba and its agencies $83,853 per month from September 1, 1986 to August 31, 1989, amounting to $3,018,708 for the three year period, to reduce the employers' costs of the pension formula improvement in (a) above.

(c) Section 22(5) of the Act has been repealed. As a result, the Province of Manitoba no longer guarantees that a certain rate of return, based on actuarial assumptions, will be earned on the assets of the Fund. No payments have been made or were required under this guarantee.

5. Investment in subsidiary:

The Superannuation Resource Investment Corporation of Manitoba Inc. (S.R.I.C.), a wholly-owned subsidiary of the Fund, was incorporated as a pension fund resource corporation under The Corporation Act of Manitoba on May 30, 1983 for the purpose of participating in oil and gas resource development projects on behalf of the Fund.

The actual results of the subsidiary operation for the year ended December 31, 1986 were not available at the time of preparation of these financial statements. The Fund management has estimated the net income of the subsidiary for 1986 to be $754,343 (1985 - actual $1,584,266) and has reflected this estimate as income from subsidiary, per accounting policy, Note 2(b)(ii).

The Fund's investment in S.R.I.C. at December 31, 1986, after reflecting this estimate, is comprised of:

	1986	1985
Shareholder's advances	$7,016,627	$5,080,016
Capital stock	1	1
Retained earnings	754,343	1,739,942
Investment in subsidiary	$7,770,971	$6,819,959

5. (continued)

During the year, the Fund advanced $2,500,000 (1985 - $2,500,000) to S.R.I.C. and recovered $563,389 (1985 - $1,825,234) of advances from S.R.I.C.

6. Money Purchase Accounts Plan:

Manitoba Regulation 77/85 under the Civil Service Superannuation Act established a Money Purchase Accounts Plan effective January 2, 1985. Under this regulation, eligible individuals may transfer to the Plan an amount from either the Fund or pension plan of a prior employer, to provide for an annuity or other settlement in the future. The Plan is administered and accounted for separately by the Board for which the Board charges the Plan with an administration fee. The accumulated value of a participant's account, upon election of an annuity under the Plan, will be transferred to an annuity reserve as part of the reserve for present and future benefits of the Fund.

7. Accumulated unrealized foreign exchange:

An analysis of (gains) or losses in the accumulated unrealized foreign exchange account is shown below:

	1986	1985
Balance, beginning of year	$ (700,135)	$ (188,828)
Foreign exchange on purchase and sale of foreign currency	(1,197,126)	1,253,982
Translation of transactions	487,775	553,142
Net translation of current assets	1,168,781	(2,492,418)
	(240,705)	(874,122)
Transfer to income	48,141	173,987
Balance, end of year	$ (192,564)	$ (700,135)

Manitoba

COMMUNITIES ECONOMIC DEVELOPMENT FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedules 1 and 2, of the Communities Economic Development Fund for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Communities Economic Development Fund as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

January 15, 1988,
Winnipeg, Manitoba.

Exhibit A

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

	1987	1986
Cash	$ 148,730	$ 287,527
Short-term deposits with the Province of Manitoba	350,000	200,000
Amount due from Manitoba Development Corporation (notes 1 and 2(c))	215,457	392,644
Accounts receivable	17,297	8,525
Loans and interest receivable, less allowance for doubtful accounts $1,169,600 (1986 - $1,030,409) (note 4)	5,410,186	3,813,802
Office furniture and equipment at cost, less accumulated depreciation $33,149 (1986 - $24,500)	63,248	61,265
	$ 6,204,918	$ 4,763,763

LIABILITIES

	1987	1986
Accounts payable	$ 82,695	$ 48,540
Funds provided by the Province of Manitoba (note 3)	6,122,223	4,715,223
	$ 6,204,918	$ 4,763,763

Exhibit B

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Statement of Revenue and Expenditure for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Revenue:		
Interest, loans	$ 497,224	$ 453,866
Miscellaneous	38,062	6,586
	535,286	460,452
Expenditure:		
General administrative, Schedule 1	873,397	760,683
Recovery from Manitoba Development Corporation for proportionate share of common administrative expenses (note 2(c))	-	(80,000)
Provision for doubtful accounts on loans receivable (note 4)	428,840	391,470
	1,302,237	1,072,153
Excess of expenditure over revenue	766,951	611,701
Less: Subsidy from the Manitoba Development Corporation (note 1)	766,951	611,701
	$ -	$ -

Schedule 1

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Schedule of General Administrative Expenses
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Consultants' fees and expenses	$ 32,576	$ 14,147
Depreciation	8,649	7,816
Directors' fees and expenses	48,507	50,873
Legal and audit	15,544	25,265
Office supplies and expenses	97,937	78,395
Salaries and employee benefits	592,328	519,049
Sundry	28,984	18,871
Travel	48,872	46,267
General administrative expenses, Exhibit B	$ 873,397	$ 760,683

Schedule 2

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Report of Assistance Granted or to be Granted for the year ended March 31, 1987

Loan recipient Area benefited - nature of operations	Interest Rate	Term	Amount
Allan McLeod Construction Ltd. Cross Lake - Construction	8 1/2%	6 months	$ 15,000
Barbeau, Arthur Moose Lake - Skidder operation	7 3/4%	33 months	28,000
Booth, Robert Ross Leaf Rapids - Cleaning Service	8 1/2%	3 years	21,000
Buck, Alvin Moose Lake - Skidder operation	8 1/4%	3 years	18,200
Burkart, Eric The Pas - Pizza Restaurant	8 1/2%	6 years	50,000
Campbell, Mabel Duck Bay - Taxi	8 3/4%	3 years	15,890
Canadian Pickles Corporation Stony Mountain - Manufacturing	8 1/2%	10 years	150,000
Carter, David Manigotagan - Skidder operation	7 3/4%	5 years	49,000
Catalano, Elena The Pas - Snack Bar	8 1/2%	4 years	15,000
Chartrand, Roy and Rita Teulon - Restaurant	8 3/4%	3 years	4,340
Cork, Irvin and Little, William Thompson - Construction	8 1/2%	3 years	20,000
Dan, John Garden Hill - Fast Food Service	7 1/2%	2 years	6,000
Draft Enterprises Ltd. Petersfield - Manufacturing	8 1/2%	1 year	95,500
Dumont, Yvette St. Laurent - Hauling	8 1/2%	2 years	23,880
Ettawakapow, Walter Norway House - Taxi	8 1/4%	3 years	20,000
Faroex Ltd. Gimli - Manufacturing	8 1/2%	3 months	115,000
Fort Island Enterprises Ltd. Norway House - Laundromat	8 1/4%	3 years	91,000
Francoeur, Louis and Richard The Pas - Home Maintenance Repair	8 1/2%	6 years	47,000
Fyk, Ben Garland - Freighting	8 1/2%	5 years	49,610
Gold Trail Hotel Ltd. Ilford - Construction of Winter Road	8 1/2%	8 months	20,500
Guyot, Gerald and Darlene Ste. Rose du Lac - Corral Cleaning	8 3/4%	4 years	38,000
Hayter, Doreen Thompson - Well Drilling	8 1/2%	10 years	50,820

Schedule 2

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Report of Assistance Granted or to be Granted for the year ended March 31, 1987

	Interest Rate	Term	Amount
Hebert, John and Roseanne			
The Pas - Confectionery	8 1/2%	1 year	23,000
Holt, Joseph Darryl			
Waterhen - Hauling	8 1/2%	5 years	62,370
Interlake Packers Ltd.			
St. Laurent - Meat Packing	8 1/2%	10 years	369,000
Johnston, Ethel			
Dauphin - Hair Salon	8 1/4%	4 years	23,750
Kaminski, Michelle			
Dauphin - Skin Care Operation	8 1/2%	4 years	37,600
Kossack, Patricia and Douglas			
Teulon - Hardware Store	8 1/2%	10 years	150,000
Lafreniere, Edmond and Ronald			
Winnipegosis - Logging	8 1/2%	3 years	115,600
Libbrecht, Alana			
The Pas - Retail T-Shirts	8 1/2%	4 years	14,000
Little, Larry			
Thompson - Sporting Goods Store	8 1/2%	5 years	114,000
	7 3/4%	5 years	59,000
Malcolm, Oswald			
Lundar - Skidder operation	7 3/4%	3 years	21,030
Manigotagan Development Ltd.			
Manigotagan - Forestry	8 1/2%	1 year	60,000
Manitoba Metis Housing Development Inc.			
Dauphin - Housing Construction	9%	2 months	44,000
McLeod, John			
Cross Lake - School Bus	8 1/2%	2 years	10,000
Moar, John Gilbert			
Rivers - Autobody Shop	7 3/4%	10 years	149,530
Monkman, Brian			
Norway House - Small Motor Repair	8 1/4%	3 years	15,100
Munroe, Gilbert			
Grand Rapids - Hardware Store	8 1/2%	3 years	10,300
Munroe, Joseph			
Garden Hill - Pool Hall	8 3/4%	4 years	10,000
Muskego, Orton			
Thompson - Towing and Salvage	8 1/2%	4 years	81,280
	8 1/2%	4 years	7,000
Nanowin, Walter			
Wassagamak - Lumber Mill	8 1/2%	5 years	12,600
N. D. Gunn Ltd.			
Norway House - Contractor			
- Loan	9%	3 years	150,000
- Guarantee	2%	1 year	200,000
Norway House Fisherman Co-Operative Ltd.			
Norway House - Commercial Fishing	8 1/2%	4 months	25,000

Schedule 2

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Report of Assistance Granted or to be Granted
for the year ended March 31, 1987

	Interest Rate	Term	Amount
Phillips, Henry Manigotagan - Trucking	8 1/4%	3 years	43,610
Plourde, Claude Manigotagan - Cabinet Shop	8 1/2%	7 years	88,500
Poirier, Arnold and Harold Wabowden - Tourist Camp	8 1/2%	4 years	10,000
Reid, Stan, Rec/Mgr. Thompson - Hotel	7 1/2%	3 months	10,000
Ross, Wilfred Cross Lake - Bus Shuttle Service	7 1/2%	3 years	22,500
Sanderson, George Wabowden - Skidder operation	8 1/2%	3 years	32,704
Seafalls Trucking Ltd. Thompson - Towing and Salvage	8 1/2%	4 years	85,780
Seymour, Henry Wanipagow - Restaurant	8 1/2%	3 years	17,000
	8 1/2%	5 years	8,000
Sklepowich, Harold Manigotagan - Skidder operation	8 1/2%	3 years	39,000
Spencer, Bonita The Pas - Confectionery	8 3/4%	5 years	33,800
Tee Pee Outfitters Inc. Leaf Rapids - Outfitters	8 3/4%	6 years	75,000
The Pas Heavy Equipment Repair Ltd. The Pas - Equipment Repair	8 1/2%	1 year	35,000
The Pas Indian Band The Pas - Lumber Store	10%	10 years	20,000
The Pas Region Metis Cultural Centre Inc. The Pas - Office Building	8 1/2%	9 years	90,000
W. F. Holt Enterprises Ltd. Waterhen - Trucking	10%	3 years	7,000
Weeba Construction Ltd. Scanterbury - Contractor	10%	10 years	125,000
Wood, Lorne Manigotagan - Garage	8 1/4%	10 years	54,500
59512 Manitoba Ltd. The Pas - Laundromat	8 1/2%	6 years	47,000
65893 Manitoba Ltd. Dauphin - Audio store	8 1/2%	Demand Loan	21,000
			$ 3,573,294

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Notes to the Financial Statements
for the year ended March 31, 1987

1. Nature of the Fund

The Communities Economic Development Fund was established as a Crown Corporation to encourage the optimum economic development of remote and isolated communities within the Province of Manitoba. To carry out this objective it is not practical to pass on all of the Fund's costs to the users of its services. As a result the Fund depends, to a certain extent, on a subsidy from the Manitoba Development Corporation (MDC).

MDC provides the subsidy required by the Fund to the extent of the Fund's excess of expenditure over revenue.

In consideration of applications for assistance to establish or expand small to medium-sized economic enterprises, the Fund shall continue to place emphasis upon the economic development of Northern Manitoba. At the discretion of the Fund, however, applicants from other communities within the Province, with the exception of the larger centres, shall not be precluded from consideration.

2. Significant Accounting Policies

(a) General

The accompanying financial statements have been prepared on an accrual basis, except for the accounting for pension costs as set out in (d) below.

(b) Allowance for doubtful accounts

The allowance for doubtful accounts regarding possible losses on outstanding loans is determined on an individual account basis.

(c) General administrative expenses (Schedule 1)

The Communities Economic Development Fund is jointly administered with the Manitoba Development Corporation. At the year end, common administrative expenses are reviewed and allocated between MDC and the Fund on a proportionate basis as determined by officials of MDC and the Fund. The difference between the administrative expenses paid by the Fund and the prorated administrative expenses are reflected as either a recovery of administrative expenses or as a reimbursement to MDC for the Fund's share of common administrative expenses. In fiscal 1987 the difference was not significant and, therefore, a recovery was not required.

(d) Pensions

The employees of the Fund are not members of the Civil Service of the Province but they contribute to, and are pensionable under the Civil Service Superannuation Fund. In accordance with the provision of The Manitoba Civil Service Superannuation Act, the Fund will contribute 50% of the pension payments made to retired employees. Such payments will be charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Fund's employees amounted to $475,731 as at December 31, 1986 ($396,480 as at December 31, 1985).

2. Significant Accounting Policies (continued)

(e) Depreciation

Office furniture and equipment is depreciated at 10% on a straight line basis.

3. Funds provided by the Province of Manitoba

Funds are provided by the Province by way of conditional grants for a revolving fund for the purpose of making direct loans and for loan guarantees. In the event that the revolving fund increases beyond the amount provided by the Province, such increases would be repayable to the Province. If the Communities Economic Development Fund should cease operations, then all remaining funds would be returned to the Province.

The funds provided are as follows:

	1987			1986
	Direct Loans	Loan Guarantees	Total	Total
Balance, beginning of year	$ 4,615,223	$ 100,000	$ 4,715,223	$ 4,315,223
Funds provided during the year	1,407,000	-	1,407,000	400,000
Balance, end of year	$ 6,022,223	$ 100,000	$ 6,122,223	$ 4,715,223

The balance of available capital authority as at March 31, 1987 is $3,400,000 for direct loans and $1,400,000 for loan guarantees.

4. Allowance for Doubtful Accounts

The change in the allowance is accounted for as follows:

	1987	1986
Balance, beginning of year	$ 1,030,409	$ 1,386,100
Provision during the year	428,840	391,470
	1,459,249	1,777,570
Less: Accounts written off (net of recoveries)	289,649	747,161
Balance, end of year	$ 1,169,600	$ 1,030,409

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Notes to the Financial Statements
for the year ended March 31, 1987

5. Loan Commitments and Contingent Liabilities

		1987	1986
(a)	Loan commitments - undisbursed balance of approved loans	$ 552,679	$ 952,247
(b)	Contingent liability - bank loan guarantees	$ 214,000	$ 364,000

(c) Contingent liability - in 1980, a judgement was rendered against the Fund which resulted in certain real property being returned to the Plaintiff. An assessment of damages is still to be decided upon by the Courts. The Fund is of the opinion that any damages assigned would not be significant.

6. Subsidiary

In order to prevent a significant loss, the Fund incorporated 74949 Manitoba Ltd. to operate a towing company in northern Manitoba. 74949 Manitoba Ltd. operated for about two months until a purchaser was found. This company is in the process of being wound down and will be allowed to lapse once all collections and payments are complete.

A summary of the transactions in the fiscal period are as follows:

Receipts	$ 21,613
Disbursements	31,528
Excess of disbursements over receipts	$(9,915)

The cash receipts deficiency is provided for in the Allowance for Doubtful Accounts. No significant liabilities exist as at March 31, 1987.

MEYERS
NORRIS
PENNY & Co.

CHARTERED ACCOUNTANTS

508 - 1661 Portage Avenue
Winnipeg, Manitoba
R3J 3T7
(204) 775-4531

PARTNERS:

R.D. BAKER, C.A.
D.L. CANNONS, C.A.
N.F. COCHRANE, C.A.
J.G. CRISTALL, C.A.
P.S. ECKERSLEY, C.A.
J.E. FINLAYSON, C.A.
K.E. GLENNIE, C.A.
G.G. JOHNSON, C.A.
T.D. KIRKUP, C.A.
D.M. McCONNELL, C.A.
J.W. McWHIRTER, C.A.
J.R. MORROW, C.A.
D.W.A. NORRIS, C.A.
D.H. PENNY, F.C.A.
B.D. PRITCHARD, C.A.
D.I. RITCHIE, C.A.
P.E.W. SAWYER, C.A.
J.D. STEWART, C.A.

Consulting Partner:
R.A. MEYERS, F.C.A.

28th August, 1987

AUDITORS' REPORT

We have examined the balance sheet of the Cooks Creek Conservation District No. 5 as at 31st March, 1987 and the statement of revenue and expenditure for the fifteen months then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the District as at 31st March, 1987 and the results of its operations for the period then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Meyers Norris Penny & Co
Chartered Accountants

Cooks Creek Conservation District No. 5

Balance Sheet as at 31st March, 1987

	1987 (15 Months)	1985 (12 Months)
Assets		
Current Assets		
Cash	140,742	186,864
Accounts receivable	9,105	3,932
	149,847	190,796
Fixed Assets - Note 2	5,861	5,468
	155,708	196,264
Liabilities		
Current Liabilities		
Conservation District Authority	11,152	35,555
Accounts payable	-	95
	11,152	35,650
Surplus		
Board and Sub District Account	142,558	158,472
Equipment Account	(2)	142
Emergency Reserve Account	2,000	2,000
	144,556	160,614
	155,708	196,264

Cooks Creek Conservation District No. 5

Statement of Board Account Revenue and Expenditure

For the Fifteen Months Ended 31st March, 1987

	1987 (15 Months)	1985 (12 Months)
Revenue		
Province of Manitoba	196,275	182,120
Rural Municipality of Brokenhead	157	157
Rural Municipality of St. Annes	974	974
Rural Municipality of Springfield	65,724	65,724
Rural Municipality of Tache	6,104	6,104
Interest	16,868	12,591
Career start	2,271	-
Sundry	-	51
	288,373	267,721
Expenditure		
Administration		
Association dues	350	350
Board remuneration	16,736	11,915
Depreciation	1,468	553
Head office administration	368	1,038
Insurance	1,571	762
Office maintenance	3,231	1,542
Office rent	4,875	3,125
Printing, postage and stationery	4,738	1,861
Professional fees	800	775
Public relations	624	1,407
Salaries	36,672	16,461
Watershed manager's expenses	2,469	1,267
	73,902	41,056
Sub District Programs		
Lower Seine River	74,276	80,147
Cooks Creek	95,622	110,357
Bunn's Creek	26,342	17,654
	196,240	208,158
Cooks Creek Diversion	34,145	-
Excess of Revenue (Deficiency) over Expenditure	(15,914)	18,507
Account Balance - Beginning of Period	158,472	139,965
Account Balance - End of Period	142,558	158,472

Cooks Creek Conservation District No. 5

Statement of Equipment Account Revenue and Expenditure

For the Fifteen Months Ended 31st March, 1987

	1987 (15 Months)	1985 (12 Months)
Revenue	-	-
Expenditure		
Parts and repairs	-	36
Depreciation	144	134
	144	170
Excess of Expenditure over Revenue	144	170
Account Balance - Beginning of Period	142	312
Account Balance - End of Period	(2)	142

Cooks Creek Conservation District No. 5

Notes to the Financial Statements

For the Fifteen Months Ended 31st March, 1987

Note 1 - Accounting Policies

Fixed Assets

Fixed assets are recorded at cost.

Depreciation is recorded on the straight line method at the following rates:

Equipment	25%
Office Equipment	15%

Note 2 - Fixed Assets

The following is a summary of the fixed asset and accumulated depreciation accounts:

	Balance Beginning Of Year	Additions	Balance End Of Year
Fixed Assets			
Equipment	936		936
Office equipment	3,513	1,388	4,901
Program support equipment	2,927	616	3,543
	7,376	2,004	9,380
Accumulated Depreciation			
Equipment	792	144	936
Office equipment	1,006	857	1,863
Program support equipment	110	610	720
	1,908	1,611	3,519
Net Book Value	5,468		5,861

Note 3 - Change of Year End

The financial statements are presented in accordance with generally accepted accounting principles, except that due to the amendment to Section 33 of the Conservation District Act, the fiscal year end of Conservation Districts have been changed from 31st December 31st March. The 1985 financial statements are for the twelve months ended 31st December, 1985 and the 1987 financial statements are for the fifteen months ended 31st March, 1987.

Cooks Creek Conservation District No. 5

Statement of Sub-District Programs

For the Fifteen Months Ended 31st March 1987

	Lower Seine River #9	Cooks Creek #11	Bunn's Creek #12	1987 Total	1985 Total
Development	54,616	46,221	-	100,837	88,708
Weedland Brush Control	5,286	16,231	6,029	27,546	13,742
Channel Maintenance	3,091	12,797	13,187	29,075	60,951
Culverts and Structures	11,282	20,373	7,127	38,782	44,757
	74,275	95,622	26,343	196,240	208,158

Statement of District and Provincial Contribution

For the Fifteen Months Ended 31st March, 1987

	Cost	Share	Total	District	Provincial
	District	Provincial	Expenditure	Share	Share
Administration					
General	25	75	52,003	13,001	39,002
Other	100		4,795	4,795	
Head Office		100	368		368
Remuneration					
General	25	75	16,736	4,184	12,552
			73,902	21,980	51,922
Sub-District Programs					
Lower Seine River	30/25	70/75	74,275	21,299	52,976
Cooks Creek	30/25/20	70/75/80	95,622	24,002	71,620
Bunn's Creek	25	75	26,343	6,586	19,757
			196,240	51,887	144,353
Cooks Creek Diversion	100		34,145	34,145	-
			304,287	108,012	196,275

Manitoba

THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the Schedule of Loans and Loans Guarantee Transactions of The Co-operative Loans and Loans Guarantee Board for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the Schedule of Loans and Loans Guarantee Transactions presents fairly the balance of the loans and loans guarantees outstanding as at March 31, 1987 and the loans and loans guarantee transactions of the Board for the year then ended in accordance with the accounting principles stated in note 1 to the Schedule applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

September 25, 1987,
Winnipeg, Manitoba.

THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD

Schedule of Loans and Loans Guarantee Transactions for the year ended March 31, 1987

	Amounts Outstanding at March 31, 1986	Additions	Cancellations	Amounts Outstanding at March 31, 1987
Loans:				
Lakeshore Metis Land Improvement Co-op Ltd. (Note 2)	$ 42,427	$ -	$ 16,327	$ 26,100
	$ 42,427	$ -	$ 16,327	$ 26,100
Loans Guarantees:				
Winnnipeg Arts Club Co-op Inc. (Note 3)	$ 100,000	$ -	$ 10,128	$ 89,872
Weanling Improvement Sales Service Co-op Ltd. (Note 4)	-	10,000	10,000	-
	$ 100,000	$ 10,000	$ 20,128	$ 89,872

THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD

Notes to the Financial Statements for the year ended March 31, 1987

1. a) Loans are carried at the amount of principal due to the Board.

   b) Loans guarantees are carried at the amount guaranteed and are contingent liabilities.

2. The loan issued to Lakeshore Metis Land Improvement Co-op Ltd. was approved by the Board as an interest free loan. The loan is secured by an assignment of grants from the Department of Regional Industrial Expansion (Government of Canada), a lien registered on certain equipment of the cooperative, and promissory notes issued by members of the cooperative and payable on demand in the total amount of $33,000. During the year ended March 31, 1987 the Board received $11,053 from the cooperative and $5,274 from the Government of Canada.

3. The Board guaranteed to the Co-operative Credit Society of Manitoba, Limited (CCSM) a term loan of up to but not exceeding $100,000 extended by CCSM to The Winnipeg Arts Club Cooperative, Inc. (Club). Pursuant to an agreement dated January 27, 1987 between the Board and CCSM, the Board's liability under the guarantee shall not exceed $89,872. The Club was placed in receivership November 21, 1986 and a Trustee in Bankruptcy of the Club was appointed. The Trustee executed a purchase and sale agreement dated January 6, 1987 for the sale of the assets of the Club and assignment of the Club's lease. The necessity of the Board honouring its guarantee will not be finally determined until approximately May 1, 1990 upon completion by CCSM of application to the term loan of purchase price payments or until such prior date as there is either full repayment of the loan or a default under the purchase and sale agreement.

4. The loan guarantee regarding Weanling Improvement Sales & Service Co-op Ltd. was cancelled as the guarantee was no longer required.

5. The Board previously obtained title to fixed assests owned by the South Indian Lake Co-op Fisheries Ltd. During the year ended March 31, 1987 the Board obtained proceeds of $14,862 from the rental of the fish processing plant. The proceeds have been paid to the Government of the Province of Manitoba.

6. The Board does not charge a fee for its loans and loan guarantees.

7. The costs related to the administration and general operation of the Board are paid out of an appropriation of the Department of Cooperative Development, Government of the Province of Manitoba.

Manitoba

THE CO-OPERATIVE PROMOTION BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Co-operative Promotion Board for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

September 29, 1987,
Winnipeg, Manitoba.

Exhibit A

THE CO-OPERATIVE PROMOTION BOARD

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

	1987	1986
Current assets:		
Cash	$ 24,518	$ 41,891
Accrued interest receivable	6,825	13,586
Term deposits (Note 3)	216,000	52,000
Total current assets	247,343	107,477
Investments, at amortized cost, Schedule 1	65,207	228,925
	$ 312,550	$ 336,402

LIABILITIES AND EQUITY

	1987	1986
Accounts payable	$ 1,759	$ 2,802
Contributed capital:		
Provided under "The Wheat Board Money Trust Act" Cap. 291, R.S.M. 1954 (Note 1)	128,800	128,800
Retained earnings, Exhibit B	181,991	204,800
	$ 312,550	$ 336,402

Exhibit B

THE CO-OPERATIVE PROMOTION BOARD

Statement of Income and Expenditure and Retained Earnings
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Income:		
Interest	$ 24,232	$ 31,452
Amortization of discount on investment	283	283
Refund of grants -		
Northern Cooperative Services Ltd.	-	1,539
Proposed Northern Chip Production Project	500	-
Proposed St. Norbert cooperative	600	-
Total income	25,615	33,274
Expenditure:		
Grants and direct expenses on behalf of cooperatives:		
Grants:		
Citi/Books Cooperative Ltd.	397	-
Co-op College of Canada, Manitoba Region Council	4,000	1,000
Crocus Information Management Cooperative Ltd.	5,400	4,600
Housing Co-op Council of Manitoba Inc.	1,000	3,000
Le Conseil de la Cooperation	2,500	-
Le Petit Soleil Cooperative Inc.	380	-
M & B Fisheries Cooperative Ltd.	500	-
Manitoba Metis Federation Inc.	-	1,000
Maurepas Village Housing Cooperative Ltd.	-	500
Nor-Man Cabin Fever Crafters Co-op Inc.	500	-
Proposed Northern Chip Production Project	-	500
Northwest Wild Rice Growers Co-op Ltd.	-	1,000
Psoriasis Education & Research (Manitoba) Co-op Inc.	1,200	-
Selkirk Teen Centre Co-op Inc.	500	-
Seven Sisters Falls Water Co-op Ltd.	350	-
Smurfs & Smurfettes Day Care Co-op Inc.	500	-
Ste. Anne Nursery School Pre-Maternelle Co-op Inc.	270	-
The Pas Gas Bar Co-op Ltd.	1,000	-
Three Feathers Art & Craft Co-op Inc.	500	-
Westlake Corn Growers Co-op Ltd.	-	500
Direct expenses on behalf of cooperatives:		
Gold medal prize	192	194
Leadership development assistance program	275	-
Publications	1,872	-
Research study	-	12,600
School awards contest	21,538	11,538
	42,874	36,432

Exhibit B

THE CO-OPERATIVE PROMOTION BOARD

Statement of Income and Expenditure and Retained Earnings
For the Year Ended March 31, 1987
(with 1986 figures for comparison)

General and administrative expenses:		
Annual reports	1,806	165
Audit fee	1,085	950
Board members' remuneration	960	520
Board members' travel	1,518	1,443
Office expenses	181	457
	5,550	3,535
Total expenditure	48,424	39,967
Income (under) over expenditure	(22,809)	(6,693)
Retained earnings, beginning of year	204,800	211,493
Retained earnings, end of year, Exhibit A	$ 181,991	$ 204,800

Schedule 1

THE CO-OPERATIVE PROMOTION BOARD

Schedule of Investments
as at March 31, 1987

	Par Value	Cost	Accumulated Discount Amortization	Amortized Cost
Manitoba Hydro-Electric Board 7 1/4% bonds due on August 1, 1993	$ 67,000	$ 61,305	$ 3,902	$ 65,207

THE CO-OPERATIVE PROMOTION BOARD

Notes to the Financial Statements as at March 31, 1987

1. Nature and objectives of the Board

The Co-operative Promotion Board operates under the terms of The Wheat Board Money Trust Act. The Board acts as a trustee for those surplus funds of the original Canadian Wheat Board which were apportioned to Manitoba by the Government of Canada. The total amount apportioned to Manitoba was $128,800 and is held in trust by the Board. The income earned on these funds may be used by the Board for purposes which are consistent with the following objectives specified in the Act:

a. To assist in the development and encouragement of co-operation amongst consumers, producers of natural products, and persons concerned in marketing natural products and in the organization and development of co-operative organizations.

b. To investigate laws relating to co-operative organizations in Manitoba, in other provinces of Canada and in other countries, and to study agencies for and methods of co-operative marketing, production and purchasing, and to report thereon with recommendations of approved matters to the Lieutenant-Governor-in-Council.

c. To promote the general welfare of producers of natural products in the Province and of co-operative organizations in the Province.

2. Accounting policies

a. Income and expenditures are accounted for on an accrual basis, except that grants are reflected as expenditures when paid.

b. Discounts on investments are amortized on a straight line basis over the life of the investment.

c. The Government of the Province of Manitoba provides the services of support staff and other miscellaneous administrative services at no charge to the Board. The cost of these services is not reflected in these financial statements.

3. Term deposits

	1987	1986
Me-Dian Credit Union of Manitoba Limited 8.5% due on November 17, 1987	$ 100,000	$ -
La Fédération Des Caisses Populaires du Manitoba Inc. 8.5% due on November 19, 1987	64,000	-
Province of Manitoba		
8.0% due on April 13, 1987	52,000	
9.8% due on April 14, 1986		52,000
	$ 216,000	$ 52,000

Manitoba

THE CRIMINAL INJURIES COMPENSATION BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statement, being the Statement of Receipts and Disbursements, of The Criminal Injuries Compensation Board for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this financial statement presents fairly the receipts and disbursements of the Board for the year then ended in accordance with the accounting policies stated in notes 1 and 2 to the financial statement applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

May 8, 1987,
Winnipeg, Manitoba.

THE CRIMINAL INJURIES COMPENSATION BOARD

Statement of Receipts and Disbursements
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Receipts:		
Department of the Attorney-General appropriation	$ 1,214,846	$ 1,033,559
Recoveries - restitution, insurance	1,794	882
Bank interest, net of charges	3,418	4,726
Total receipts	1,220,058	1,039,167
Disbursements:		
Benefits paid:		
Temporary disability	216,145	247,522
Pensions (Note 3)	825,694	613,997
Medical, dental, prosthetic, etc.	160,045	84,444
Rehabilitation	55,624	70,085
	1,257,508	1,016,048
Remittance of recoveries to Department of the Attorney-General	1,794	882
Total disbursements	1,259,302	1,016,930
Excess (deficiency) of receipts over disbursements	(39,244)	22,237
Reimbursement (refund), in transit, from (to) the appropriation for the fiscal year	39,244	(22,237)
	$ -	$ -

THE CRIMINAL INJURIES COMPENSATION BOARD

Notes to Financial Statement for the year ended March 31, 1987

1. Under an Order of the Lieutenant-Governor-in-Council The Workers Compensation Board (W.C.B.) was designated to administer The Criminal Injuries Compensation Act. All charges for the administration of the Act are paid from the Consolidated Fund of the Government of the Province of Manitoba through an appropriation of the Department of the Attorney-General. Under this arrangement, the financial transactions of the Board are processed by the W.C.B. and such transactions are presented in the accompanying financial statement on a cash basis. Administration expenses such as W.C.B. staff salaries and other operating expenses, in respect to this arrangement, are billed to and paid from the appropriation of the Department of the Attorney-General and are reflected in the accounts of W.C.B.. For the year ended March 31, 1987, $142,316 (March 31, 1986 - $139,895) was incurred by the W.C.B. for administering the Act and reimbursed by the Government of the Province of Manitoba.

2. The Board's financial statement has been prepared using the cash basis of accounting. The excess or deficiency of receipts over disbursements for the year is remitted to or recovered from the Department of the Attorney-General and is reflected as being in transit in this financial statement as of March 31.

3. In accordance with The Criminal Injuries Compensation Act, The Criminal Injuries Compensation Board awards pensions to victims of criminal acts. The pensions are paid from funds provided by the Government of the Province of Manitoba from the Consolidated Fund. The unfunded present value of the pensions awarded as at March 31, 1987 was determined by the Board to amount to $8,751,357 (1986 - $7,279,147).

4. Certain prior year comparative figures have been restated to conform with the current year's presentation.

Manitoba

LEAF RAPIDS TOWN PROPERTIES LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Leaf Rapids Town Properties Ltd. as at March 31, 1987 and the statements of income and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at March 31, 1987 and the results of its operations and the changes in financial position for the year then ended in accordance with the accounting policies stated in note 1 applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

August 21, 1987,
Winnipeg, Manitoba.

Exhibit A

LEAF RAPIDS TOWN PROPERTIES LTD.

Balance Sheet
March 31, 1987

	1987	1986
ASSETS		
Current Assets:		
Cash and short-term deposits	$ 576,145	$ 415,922
Accounts receivable (note 2)	201,567	356,578
Prepaid expense and supplies	19,348	14,704
	797,060	787,204
Developed lots held for resale (note 1(c) and 7)	1	1
Land, buildings and equipment, less accumulated depreciation and cost recoveries (note 3 and 7)	5,088,712	5,328,782
Lease costs, net of amortization	4,622	5,302
	$ 5,890,395	$ 6,121,289
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expense	$ 100,321	$ 114,165
Current portion of long-term debt	201,255	186,088
	301,576	300,253
Long-term debt (note 4)	3,562,918	3,764,173
	3,864,494	4,064,426
SHAREHOLDER'S EQUITY		
Capital stock (note 5)	2,621,100	2,621,100
Deficit	(595,199)	(564,237)
	2,025,901	2,056,863
	$ 5,890,395	$ 6,121,289

Exhibit B

LEAF RAPIDS TOWN PROPERTIES LTD.

Statement of Income and Deficit
Year Ended March 31, 1987

	1987	1986
Operations (Schedule 1):		
Revenue	$ 1,344,649	$ 1,248,170
Operating expense	1,089,110	985,541
Depreciation and amortization	246,213	236,536
	1,335,323	1,222,077
Profit from operations before other expenses	9,326	26,093
Other expense:		
Loss on sale of building	-	39,415
Property tax on developed lots held for resale (note 1(c))	5,981	5,567
Interest expense - net (note 6)	27,700	38,355
Corporation capital tax	6,607	8,828
	40,288	92,165
Loss before extraordinary item	30,962	66,072
Extraordinary item - loss on revaluation of land and buildings (Note 7)	-	638,199
Loss for the year	30,962	704,271
(Deficit) retained earnings, beginning of year	(564,237)	140,034
Deficit, end of year	$ (595,199)	$ (564,237)

Exhibit C

LEAF RAPIDS TOWN PROPERTIES LTD.

Statement of Changes in Financial Position
Year Ended March 31, 1987

	1987	1986
Cash provided by (used for):		
Operating activities:		
Net loss	$ (30,962)	$ (66,072)
Items not involving cash:		
Depreciation	246,213	236,536
	215,251	170,464
Net change in non-cash working capital balances	136,523	(11,817)
	351,774	158,647
Financing activities:		
Decrease in long-term debt	(186,088)	(172,066)
Investing activities:		
Additions to land, buildings and equipment	(5,463)	(455)
Disposals of land, buildings and equipment	-	50,115
	(5,463)	49,660
Increase in cash	160,223	36,241
Cash and short-term deposits, beginning of year	415,922	379,681
Cash and short-term deposits, end of year	$ 576,145	$ 415,922

Schedule 1

LEAF RAPIDS TOWN PROPERTIES LTD.

Schedule of Operating Revenue and Expense
Year Ended March 31, 1987

	Revenue from Operations	Operating Expense	Depreciation and Amortization	Operating Income (Loss)	
				1987	1986
Rental property:					
Commercial:					
Town centre retail	$ 169,079	$ 18,222	$ 33,013	$ 117,844	$ 104,555
Town centre hotel	110,168	115,337	45,903	(51,072)	(28,672)
Commercial building	38,127	19,868	9,232	9,027	7,338
Industrial park	37,350	32,894	300	4,156	6,234
Mobile home park	29,297	17,631	418	11,248	10,789
Staff housing	14,646	7,117	2,046	5,483	5,451
Non-commercial:					
Recreation centre & municipal offices	186,942	94,585	92,357	-	-
Health centre	76,434	38,673	37,761	-	-
Administration of Town Centre complex:					
Common areas	239,184	238,718	21,910	(21,444)	(21,444)
Maintenance dept.	210,166	207,618	2,548	-	-
Property taxes	122,732	122,732	-	-	-
Insurance	31,313	31,313	-	-	-
Allied heating	33,043	33,043	-	-	-
General & administrative expenses	46,168	111,359	725	(65,916)	(58,158)
	$ 1,344,649	$ 1,089,110	$ 246,213	$ 9,326	$ 26,093

LEAF RAPIDS TOWN PROPERTIES LTD.

Notes to Financial Statements
March 31, 1987

1. Summary of Significant Accounting Policies:

   (a) Basis of accounting:

   The accrual basis of accounting is being followed except for accounting for interest on income debentures as described in 1(e) below.

   (b) Fixed assets:

   Fixed assets are valued at cost, except for unleased industrial lots and buildings which are valued at net realizable value.

   Depreciation on buildings and equipment is recorded at appropriate rates over the estimated useful lives of the related assets as follows:

Town Centre Building:	
Retail, Whitewater Inn and common areas	2 1/2% straight-line
Commercial Building	5% straight-line
Staff housing	2 1/2% straight-line

   Equipment:
   Whitewater Inn - various rates from 10% to 20% straight-line
   Other - various rates

   Depreciation on the non-commercial component of the Town Centre Building, being the facilities leased to the Leaf Rapids School District, Leaf Rapids Health and Social Development Centre and the Town of Leaf Rapids, is recorded at amounts equivalent to the principal reduction of the Series B debentures. Basic rental payments made to the Corporation by these entities are equal to the required payments on the debentures. By March 31, 1995 sufficient funds will have been recovered to equal the total capital costs of these facilities.

   (c) Developed lots held for resale:

   Developed lots held for resale are valued at net realizable value. Property taxes and any other related costs are charged to operations.

   (d) Lease costs:

   Lease costs are amortized over the terms of the leases to which they relate.

   (e) Interest expense on income debentures:

   Interest expense on income debentures, calculated in accordance with the methodology outlined in note 4 to the financial statements, is recorded in the year it is paid.

LEAF RAPIDS TOWN PROPERTIES LTD.

Notes to Financial Statements
March 31, 1987

2. Accounts Receivable:

Accounts receivable include an amount of $102,651, being the balance of the administrative cost recoveries assessed to a non-commercial tenant over the past eleven years. The tenant is making monthly payments of $14,664 towards its repayment, which will be completed by October 1987.

3. Land, Buildings and Equipment:

	Cost				
	Land and Buildings	Equipment	Accumulated Depreciation	Cost Recoveries	Net Book Value
Rental property:					
Commercial:					
Town centre retail	$ 1,447,007	$ –	$ 391,596	$ –	$ 1,055,411
Town centre hotel	1,801,348	256,660	743,157	–	1,314,851
Commercial building	183,782	–	126,192	–	57,590
Mobile home park	142,881	6,540	3,905	–	145,516
Industrial park	255,680	–	–	–	255,680
Staff housing	82,881	9,475	31,371	–	60,985
Non-commercial:					
School and cinema	2,426,366	–	–	2,426,366	–
Recreation and municipal	1,815,113	–	–	746,916	1,068,197
Health centre	742,137	–	–	305,388	436,749
Exhibition centre	132,554	–	–	132,554	–
Other property:					
Town centre:					
Common areas	940,053	12,033	267,674	–	684,412
Expansion site	1	–	–	–	1
Other	–	29,586	20,265	–	9,321
	$ 9,969,803	$ 314,294	$ 1,584,160	$ 3,611,224	$ 5,088,713

4. Long-term Debt:

Government of the Province of Manitoba:

$2,000,000 Series A 8.15% first mortgage debentures secured by the Corporation's land, buildings and equipment, repayable by equal annual instalments of principal and interest in the amount of $122,525 to March 31, 1996.

$2,557,251 Series B 8.15% first mortgage debentures secured by leases with the non-commercial tenants in the Town Centre, repayable by equal annual instalments of principal and interest in the amount of $263,376 to March 31, 1995, in accordance with the varying terms of the leases.

$2,450,000 10% income debentures secured by a floating charge on all assets of the Corporation, second to the first mortgage debentures, repayable by annual instalments equal to one-half of the prior year's cash flow of the Corporation. Such cash flow is determined as that generated from operations less principal repayments made on the debentures. Each annual instalment is applied firstly against annual interest and any remaining balance against principal. Any unpaid interest as a result of such annual repayments is non-cumulative. Such unpaid interest amounted to $149,858 (1986 - $140,290) for the year ended March 31, 1987.

During the year ended March 31, 1987, the following transactions have taken place:

	Series A Debentures	Series B Debentures	Income Debentures	Total
Balance, March 31, 1986	$ 816,621	$ 1,635,063	$ 1,498,577	$ 3,950,261
Annual principal instalments	55,971	-	-	55,971
Annual lease payments	-	130,117	-	130,117
	55,971	130,117	-	186,088
Balance, March 31, 1987	$ 760,650	$ 1,504,946	$ 1,498,577	$ 3,764,173
Total long-term debt				$ 3,764,173
Less current position				201,255
				$ 3,562,918

LEAF RAPIDS TOWN PROPERTIES LTD.

Notes to Financial Statements
March 31, 1987

5. Capital Stock:

Authorized:

40,000 common shares, not to exceed $40,000
26,210 8.15% non-cumulative redeemable preferred voting shares, not to exceed $2,621,000.

	1987	1986
Issued and fully paid:		
100 common shares	$ 100	$ 100
26,210 preferred shares	2,621,000	2,621,000
	$ 2,621,100	$ 2,621,100

Ownership:
All issued shares are held by the Minister of Finance, Government of the Province of Manitoba.

6. Interest Expense - Net:

	1987	1986
Series A debentures	$ 66,555	$ 70,772
Income debentures	-	9,568
	66,555	80,340
Interest income - trust deposits	38,855	41,985
	$ 27,700	$ 38,355

Interest expense on the Series B first mortgage debentures in the amount of $133,258 (1986 - $143,063) is included in operating expense in the statement of income and retained earnings.

Based on the cash flow of the Corporation for the year ended March 31, 1987, an interest payment on the income debenture of $14,580 will be paid and charged to expense in 1988.

7. **Extraordinary Item:**

In 1986, the Corporation recognized an extraordinary loss on developed lots held for resale and land, buildings and equipment in the amount of $638,199.

8. **Related Parties:**

As previously noted, ownership of all issued shares of the Corporation is held by the Minister of Finance, Government of the Province of Manitoba. In addition to capital stock held, the long-term debt described in note 4 and the interest expense described in note 6, the Corporation has the following balances with the Government of the Province of Manitoba and its agencies reflected in these financial statements as at March 31:

	1987	1986
Trust deposits	$ 555,732	$ 395,423
Accounts receivable	9,055	6,039
Accounts payable	4,941	14,880

Manitoba

LE CENTRE CULTUREL FRANCO-MANITOBAIN

RAPPORT DU BUREAU DU VERIFICATEUR PROVINCIAL

Nous avons examiné les états financiers, à savoir les tableaux A, B, C, D, E et F, de Le Centre culturel franco-manitobain pour l'année financière terminée le 31 mars 1987. Notre vérification a été faite selon les normes de vérification généralement reconnues et par conséquent a compris des sondages et d'autres procédés que nous avons jugés nécessaires dans les circonstances.

À notre avis, ces états financiers présentent fidèlement la situation financière de la Corporation au 31 mars 1987 et les résultats de ses opérations pour l'année terminée à cette date, conformément aux principes de comptabilité énoncés dans la note 1 des états financiers et appliqués de la même manière qu'au cours de l'année précédente.

Fred H. Jackson

F. H. Jackson, CA,
Vérificateur provincial.

Le 29 mai 1987,
Winnipeg (Manitoba)

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C, D, E and F, of Le Centre Culturel Franco-Manitobain for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the corporation as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

May 29, 1987,
Winnipeg, Manitoba.

Tableau/Exhibit A

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Bilan
au 31 mars 1987

ACTIF	1987	1986
Actif à court terme:		
Encaisse	$ 34,801	$ 16,828
Subventions à recevoir	19,709	23,085
Autres débiteurs	41,487	30,916
Inventaire	13,869	10,437
Frais payés d'avance	10,197	7,609
	$ 120,063	$ 88,875
PASSIF		
Passif à court terme:		
Créditeurs	$ 36,166	$ 43,915
Dépôts pour loyers et dommages	5,500	6,600
Subventions reportées	7,533	3,750
	49,199	54,265
Fond:		
Fonds de fonctionnement, tableau B (note 1)	1,400	27,512
Fonds pour projets spéciaux, tableau C (note 1)	69,464	7,098
	70,864	34,610
	$ 120,063	$ 88,875

Tableau/Exhibit A

Balance Sheet
as at March 31, 1987

ASSETS	1987	1986
Current assets:		
Bank	$ 34,801	$ 16,828
Grants receivable	19,709	23,085
Other accounts receivable	41,487	30,916
Inventory	13,869	10,437
Prepaid expenses	10,197	7,609
	$ 120,063	$ 88,875
LIABILITIES		
Current liabilities:		
Accounts payable	$ 36,166	$ 43,915
Rental and damage deposits	5,500	6,600
Unearned grants	7,533	3,750
	49,199	54,265
Fund:		
Operating fund account, Exhibit B (note 1)	1,400	27,512
Special projects fund account, Exhibit C (note 1)	69,464	7,098
	70,864	34,610
	$ 120,063	$ 88,875

Tableau/Exhibit B

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Fonds de fonctionnement
pour l'année se terminant le 31 mars 1987

	1987	1986
Opérations de l'année:		
Administration générale, tableau D	$ (2,622)	$ 432
Programmes culturels, tableau E	(1,133)	(1,244)
Café Jardin, tableau F	(22,357)	
Excédent (déficit) par rapport aux dépenses	(26,112)	(812)
Solde au début de l'exercice	27,512	28,324
Solde à la fin de l'exercice, tableau A	$ 1,400	$ 27,512

Tableau/Exhibit B

Operating Fund Account
for the year ended March 31, 1987

	1987	1986
Transactions for the year:		
General Operations, Exhibit D	$ (2,622)	$ 432
Cultural Programs, Exhibit E	(1,133)	(1,244)
Café Jardin, Exhibit F	(22,357)	
Revenues over (under) expenditures	(26,112)	(812)
Balance beginning of year	27,512	28,324
Balance end of year, Exhibit A	$ 1,400	$ 27,512

Tableau/Exhibit C

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Fonds pour projets spéciaux
pour l'année se terminant le 31 mars 1987

Recettes:	1987	1986
Gouvernement du Manitoba - Subventions	$ 134,005	$ 30,000
- Opération Centre-ville		54,358
Conseil Interculturel du Manitoba		15,700
Gouvernement du Canada - Subvention	37,765	
Ville de Winnipeg - Subvention	33,750	
Nevada - (revenu net; 1987 - 2,172$; 1986 - 3,774$)	9,821	6,711
Subventions diverses	6,880	3,434
Total des recettes	222,221	110,203
Dépenses:		
La Terrasse	111,437	
Rideaux Salle Pauline - Boutal		54,358
Marquise		20,490
Rénovations	16,984	15,685
Activités communautaires diverses		14,575
Tapis et plancher	10,736	
Tracteur	8,328	
Étude - allocation des fonds de loteries		7,000
Instrument de musique	5,829	
Boutique - Rénovations		5,053
Centre de ressources - Rénovations	3,693	
Frais divers	1,099	
Coffre-fort	1,749	
Total des dépenses	159,855	117,161
Excédent (déficit) par rapport aux dépenses	62,366	(6,958)
Solde au début de l'exercise	7,098	14,056
Solde à la fin de l'exercise, tableau A	$ 69,464	$ 7,098

Tableau/Exhibit C

Special Projects Fund Account
for the year ended March 31, 1987

Revenues:	1987	1986
The Government of the Province of Manitoba - grants	$ 134,005	$ 30,000
- core funding		54,358
Manitoba Intercultural Council		15,700
Government of Canada - grant	37,765	
City of Winnipeg - grant	33,750	
Nevada (net of expenditures; 1987 - $2,172; 1986 - $3,774)	9,821	6,711
Miscellaneous	6,880	3,434
Total revenues	222,221	110,203
Expenditures:		
La Terrasse	111,437	
Stage curtains - Salle Pauline - Boutal		54,358
Sign		20,490
Renovations	16,984	15,685
Various community activities		14,575
Carpets and flooring	10,736	
Tractor	8,328	
Study on Lottery Funding		7,000
Musical instrument	5,829	
Boutique renovations		5,053
Resource Centre renovations	3,693	
Miscellaneous	1,099	
Safe	1,749	
Total expenditures	159,855	117,161
Revenues over(under) expenditures	62,366	(6,958)
Balance beginning of year	7,098	14,056
Balance end of year, Exhibit A	$ 69,464	$ 7,098

Tableau/Exhibit D

LE CENTRE CULTUREL FRANCO-MANITOBAIN

État des recettes et dépenses - Administration générale pour l'année se terminant le 31 mars 1987

Recettes:	1987	1986
Gouvernement du Manitoba - subvention de base	$ 255,500	$ 240,900
- subvention spéciale	1,400	
Conseil interculturel du Manitoba	23,063	
Subventions diverses	7,263	
Gouvernement du Canada - Subvention	5,395	2,810
Locations de salles (note 3)	95,264	90,326
Locations des bureaux (note 3)	26,196	26,937
Ventes réalisées par les concessions	128,595	85,654
Intérêts	2,751	4,394
Photocopies	6,219	5,029
Commissions	3,867	2,976
Services techniques	6,400	8,567
Frais divers	6,682	6,092
Frais d'admission	3,946	5,240
Total des recettes	572,541	478,925
Dépenses:		
Salaires	286,795	242,322
Chauffage, électricité, eau	57,874	47,215
Réparations et entretien	27,192	45,075
Achats pour concession	53,788	33,982
Avantages sociaux des employés	19,388	16,907
Spectacle au foyer	35,270	13,578
Location d'équipement	15,555	12,336
Services du gymnase	20,585	11,239
Réunions et déplacements	11,8881	8,141
Fournitures et dépenses de bureaux	4,483	6,613
Publicité	7,766	6,144
Équipement	2,518	6,040
Téléphone	6,866	5,735
Honoraires	4,204	3,759
Assurances et permis	4,467	3,586
Impôt destiné aux services médicaux et à l'enseignement postsecondaire	4,467	3,483
Buanderie	3,768	3,348
Ordinateurs - Équipement et logiciels	90	3,158
Frais bancaires et intérêts	3,879	2,240
Frais divers	4,250	2,206
Créances irrécouvrables	70	1,386
Total des dépenses	575,163	478,493
Éxcédent (déficit) par rapport aux dépenses, tableau B	$ (2,622)	$ 432

Tableau/Exhibit D

Statement of Revenues and Expenditures - General Operations for the year ended March 31, 1987

	1987	1986
Revenues:		
The Government of the Province of Manitoba - basic grant	$ 255,500	$ 240,900
- special grant	1,400	
Manitoba Intercultural Council	23,063	
Grants - miscellaneous	7,263	
Government of Canada - grant	5,395	2,810
Hall rentals (note 3)	95,264	90,326
Office rentals (note 3)	26,196	26,937
Concession sales	128,595	85,654
Interest	2,751	4,394
Photocopies	6,219	5,029
Commissions	3,867	2,976
Technical services	6,400	8,567
Miscellaneous	6,682	6,092
Admissions	3,946	5,240
Total revenues	572,541	478,925
Expenditures:		
Salaries	286,795	242,322
Heat, light, water	57,874	47,215
Repairs and maintenance	27,192	45,075
Concession purchases	53,788	33,982
Employee benefits	19,388	16,907
Foyer entertainment	35,270	13,578
Equipment rental	15,555	12,336
Gymnasium services	20,585	11,239
Meetings and travel	11,8881	8,141
Stationery and office expenses	4,483	6,613
Advertising	7,766	6,144
Equipment	2,518	6,040
Telephone	6,866	5,735
Professional fees	4,204	3,759
Insurance and permits	4,467	3,586
Health and Post Secondary Education Levy	4,467	3,483
Laundry	3,768	3,348
Computer hardware and software	90	3,158
Bank charges and interest	3,879	2,240
Miscellaneous	4,250	2,206
Bad debts	70	1,386
Total expenditures	575,163	478,493
Revenues over (under) expenditures, Exhibit B	$ (2,622)	$ 432

Tableau/Exhibit E

LE CENTRE CULTUREL FRANCO-MANITOBAIN

État des recettes et dépenses - Programmes culturels
pour l'année se terminant le 31 mars 1987

Recettes: (note 4)	1987	1986
Subventions - Gouvernement du Canada (subventions de base)	$ 175,750	$ 185,000
- Gouvernement du Canada (subventions spéciales)	52,898	38,927
- Gouvernement du Manitoba	23,659	17,413
Conseil interculturel du Manitoba	3,000	4,538
Conseil des Arts du Canada		6,000
Conseil des Arts du Manitoba	350	2,962
Subventions diverses	8,809	2,000
Frais de services administratifs	13,055	8,240
Admissions, cours, commissions et frais divers	40,286	67,797
Total des recettes	317,807	332,877
Dépenses: (note 4)		
Salaires	169,519	167,342
Aide temporaire et travaux à contrat	32,571	54,557
Publicité	29,882	31,142
Réunions et déplacements	20,030	17,242
Locations des locaux (note 3)	13,536	16,946
Location d'équipement et autres	14,028	12,426
Achat de matériel et dépenses de bureaux	13,066	11,984
Avantages sociaux des employés	12,927	10,639
Téléphone	4,117	4,397
Honoraires	3,000	2,575
Impôt destiné aux services médicaux et à l'éducation postsecondaire	2,528	2,430
Frais de cours et permis	3,736	1,876
Location de film		565
Total des dépenses	318,940	334,121
Excédent (déficit) par rapport aux dépenses, tableau B	$ (1,133)	$ (1,244)

Tableau/Exhibit E

Statement of Revenue and Expenditures - Cultural Programs for the year ended March 31, 1987

Revenues: (note 4)	1987	1986
Government of Canada - basic grant	$ 175,750	$ 185,000
Government of Canada - special grants	52,898	38,927
The Government of the Province of Manitoba	23,659	17,413
Manitoba Intercultural Council	3,000	4,538
Canada Arts Council		6,000
Manitoba Arts Council	350	2,962
Grants - miscellaneous	8,809	2,000
Administration fees	13,055	8,240
Admissions, courses, commissions and miscellaneous	40,286	67,797
Total revenues	317,807	332,877
Expenditures: (note 4)		
Salaries	169,519	167,342
Casual help and contract work	32,571	54,557
Advertising	29,882	31,142
Meetings and travel	20,030	17,242
Rent (note 3)	13,536	16,946
Equipment rental and miscellaneous	14,028	12,426
Program materials and office expenses	13,066	11,984
Employee benefits	12,927	10,639
Telephone	4,117	4,397
Professional fees	3,000	2,575
Health and Post Secondary Education Levy	2,528	2,430
Course fees and permits	3,736	1,876
Film rentals		565
Total expenditures	318,940	334,121
Revenues over (under) expenditures, Exhibit B	$ (1,133)	$ (1,244)

Tableau/Exhibit F

LE CENTRE CULTUREL FRANCO-MANITOBAIN

État des résultats - Café Jardin pour la période du 15 octobre 1986 au 31 mars 1987 (note 5)

	1987
Chiffre des ventes:	$ 58,455
Coût des produits vendus	21,834
Profit brut	36,621
Dépenses:	
Salaires	35,161
Avantages sociaux des employés	1,999
Impôt destiné aux services médicaux et à l'éducation postsecondaire	710
Réparations et entretien	3,232
Buanderie	1,521
Publicité	744
Honoraires	483
Déplacements	143
Téléphone	133
Frais divers	88
Total des dépenses	44,214
Déficit avant les frais de mise en marche	(7,593)
Frais de mise en marche	(14,764)
Perte nette, tableau B	$(22,357)

Tableau/Exhibit F

Income Statement - Café Jardin
for the period October 15, 1986 to March 31, 1987 (Note 5)

	1987
Sales:	$ 58,455
Cost of Sales	21,834
Gross profit on sales	36,621
Expenditures:	
Salaries	35,161
Employee benefits	1,999
Health and Post Secondary Education Levy	710
Repairs and maintenance	3,232
Laundry	1,521
Advertising	744
Professional fees	483
Travel	143
Telephone	133
Miscellaneous	88
Total expenditures	44,214
Loss before start up costs	(7,593)
Start up costs	(14,764)
Net loss for the period, Exhibit B	$(22,357)

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Notes afférentes aux états financiers
le 31 mars 1987

1. **Conventions comptables**

   a) Les états financiers de la Corporation ont été préparés suivant la méthode de comptabilité d'exercice, sauf en ce qui concerne les acquisitions en capital de moindre et de grande importance qui sont portées au compte des dépenses de l'année d'acquisition. Les tableaux D et F reflètent les acquisitions en capital de moindre importance, faites à partir du fonds de fonctionnement et le tableau C reflète les acquisitions en capital de grande importance faites à partir de subventions spéciales d'immobilisation accordées par le gouvernement du Manitoba.

   b) Les fonds approuvés par la Corporation sont utilisés pour les divers projets correspondant aux activités et aux objectifs du Centre culturel franco-manitobain. Ces fonds sont répartis en deux fonds: le fonds de fonctionnement et le fonds pour les projets spéciaux. Par ailleurs, l'administration générale, le restaurant et les programmes culturels font partie du fonds de fonctionnement.

2. Le bâtiment à l'usage du Centre culturel franco-manitobain a été construit par la Province du Manitoba. Ces locaux sont mis gratuitement à la disposition de la Corporation par le gouvernement provincial, ce qui représente pour la Corporation un profit d'environ 264 000 $.

3. Afin de refléter plus exactement le coût des programmes culturels, la Corporation a entrepris de porter au compte des dépenses des programmes culturels l'utilisation de ses propres locaux au coût de 13 536 $ (1986 - 16 946 $), soit le loyer couramment en vigueur et d'augmenter les recettes du fonds d'administration générale d'un montant égal.

4. Les programmes offers dans le cadre activités culturelles sont présentés au tableau E par opération. Ces opérations peuvent aussi être présentés par activité ou programme, c'est-à-dire:

	Recettes	Dépenses
Administration général des programmes	91 729$	92 906$
Coordination provinciale	9 650	9 630
Programmes d'information	54 581	55 428
Activités communautaires	33 983	33 664
Arts et métiers	31 322	30 760
Spectacles	41 407	41 278
Projets spéciaux	55 135	55 274
	317,807$	318,940$

Notes to Financial Statements
March 31, 1987

1. **Accounting Policies**

   a) The Corporation's financial statements have been prepared using the accrual basis of accounting except for capital acquisitions which are recognized as expenditures in the year of acquisition. Exhibits D and F include minor capital acquisitions purchased out of General Funds and Exhibit C reflects major capital acquisitions purchased with special capital grants.

   b) The Corporation classifies resources used for various purposes into separate Fund Accounts which correspond to its major activities and objectives. The Operating Fund Account is comprised of general operations, restaurant operations, and cultural programs.

2. The building being used for the purposes of Le Centre Culturel Franco-Manitobain has been constructed and is being made available to the Corporation at no charge by the Government of the Province of Manitoba. The value of this benefit is approximately $264,000 annually.

3. To reflect more accurately the cost of "Cultural Programs", the Corporation has recorded the program utilization of facilities by charging rent of $13,536 (1986 - $16,946) to Cultural Programs expenditures at a rate normally charged to other users and has increased revenues of General Operations by an equal amount.

4. Transactions for cultural program activities have been presented in Exhibit E by nature of transaction. These transactions may also be presented on the basis of program or activity, as follows:

	Revenues	Expenditures
General program administration	$ 91,729	$ 92,906
Provincial co-ordination	9,650	9,630
Information program	54,581	55,428
Community activities	33,983	33,664
Arts and crafts program	31,322	30,760
Theatre and film program	41,407	41,278
Special projects	55,135	55,274
	$ 317,807	$ 318,940

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Notes afférentes aux états financiers
le 31 mars 1987

5. La Corporation a ouvert le restaurant Café Jardin le 15 octobre 1986. Le restaurant était auparavant loué à un exploitant privé. Les frais de mise en marche comprennent l'achat de l'achalandage et de l'équipement du restaurant.

6. Lorsque cela était nécessaire, nous avons indiqué les chiffres correspondants de l'année financière 1986 afin de nous conformer à la présentation adoptée pour l'année se terminant le 31 mars 1987.

Notes to Financial Statements
March 31, 1987

5. The Corporation commenced operation of the Café Jardin Restaurant on October 15, 1986. The restaurant had previously been leased to a private operator. Start up costs are the purchase costs of goodwill and restaurant equipment.

6. Comparative figures for the year ended March 31, 1986 have been restated where necessary to conform with the presentation adopted for March 31, 1987.

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedules 1 to 4 of The Legal Aid Services Society of Manitoba for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the position of the Fund of The Legal Aid Services Society of Manitoba as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

JWSingleton

J. W. Singleton, CA,
Assistant Provincial Auditor.

June 19, 1987,
Winnipeg, Manitoba.

Exhibit A

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Statement of Fund
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Fund balance beginning of year	$ 30,462	$ 22,427
(Deficiency) excess of receipts over disbursements, Exhibit B	(5,645)	8,035
Fund balance end of year	$ 24,817	$ 30,462
Fund balance represented by:		
Cash on hand and in bank	$ 714,923	$ 78,682
Outstanding reimbursement from the Government of the Province of Manitoba (Note 2.a)	200,000	-
Cheques issued and outstanding (Note 2.a)	(890,106)	(48,220)
Fund balance end of year	$ 24,817	$ 30,462

Exhibit B

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Statement of Receipts and Disbursements
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Receipts:		
Government of the Province of Manitoba:		
Grants (Note 2.a)	$ 5,300,000	$ 5,560,000
Salaries and other payments	2,903,793	2,709,389
Health and post secondary education tax levy - Civil Service Commission	42,082	40,025
Legal assistance - Northern Community Councils (Note 3)	2,366	5,764
The Manitoba Law Foundation:		
Grant	1,085,009	-
Public Interest Law Centre	200,000	-
University Law Centre	60,000	-
Government of Canada - grant re Public Interest Law Centre	-	1,250
Contributions from clients	129,816	96,921
Recoveries - wards of agencies	112,293	64,778
- private bar fees	33,537	19,388
- Public Interest Law Centre	21,446	15,654
Judgement costs and settlements	27,533	34,926
Interest income	19,788	20,996
Insurance claim recovery	2,954	-
Other	200	240
Total receipts	9,940,817	8,569,331
Disbursements:		
Private bar fees and disbursements (Note 2.a):		
Legal aid certificates	5,715,873	4,743,243
Duty counsel services	64,567	61,839
	5,780,440	4,805,082
Community Law Centres, Schedule 1 (Note 4)	2,779,841	2,492,583
Public Interest Law Centre, Schedule 2	194,648	163,522
University Law Centre, Schedule 3	53,807	51,889
General and administrative, Schedule 4	1,135,360	1,042,456
Legal assistance - Northern Community Councils (Note 3)	2,366	5,764
Total disbursements	9,946,462	8,561,296
(Deficiency) excess of receipts over disbursements, Exhibit A	$ (5,645)	$ 8,035

Schedule 1

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Community Law Centres
Schedule of Operating Expenses
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Advertising and information	$ 682	$ 844
Certificate disbursements	82,341	65,703
Duplicating services and supplies	23,953	28,363
Fly-in duty counsel program - travel	43,160	38,391
Furniture, equipment and leasehold improvements - net of disposals	28,679	10,044
Health and post secondary education tax levy	29,243	27,477
Library	26,402	21,606
Maintenance	18,209	12,700
Meetings and seminars	20,825	8,802
Office and postage	115,602	124,136
Office relocation	5,211	4,082
Rent	115,388	85,301
Salaries and benefits - professional	1,722,894	1,588,316
- clerical	390,998	344,198
Staff recruitment	10,074	1,907
Stationery and forms	2,482	3,410
Sundry	915	1,931
Telephone	72,705	59,129
Travel	60,029	51,331
Utilities	10,049	14,912
Total, Exhibit B	$ 2,779,841	$ 2,492,583

Schedule 2

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Public Interest Law Centre
Schedule of Operating Expenses
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Expert witnesses and consultants	$ 21,195	$ 32,717
File disbursements	6,504	3,444
Furniture and equipment	8,853	-
Health and post secondary education tax levy	1,785	1,610
Legal researcher	1,241	705
Meetings and seminars	2,785	1,100
Salaries and benefits	142,535	115,699
Sundry	6,622	5,309
Travel	3,128	2,938
Total, Exhibit B	$ 194,648	$ 163,522

Schedule 3

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

University Law Centre
Schedule of Operating Expenses
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Certificate disbursements	$ 751	$ 763
Duplicating services and supplies	490	795
Health and post secondary education tax levy	456	469
Meetings and seminars	11	172
Office and postage	2,371	2,197
Salaries and benefits - professional	24,739	22,460
- clerical	19,542	20,339
Stationery and forms	282	423
Telephone	2,275	1,943
Travel	2,890	2,328
Total, Exhibit B	$ 53,807	$ 51,889

Schedule 4

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Schedule of General and Administrative Expenses for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Advertising and information	$ 3,165	$ 2,244
Bank charges	5,828	6,240
Collections	3,316	4,005
Data processing	74,650	3,219
Directors' fees and expenses	17,597	19,959
Duplicating services and supplies	17,370	23,980
Evaluation study	941	7,500
Furniture, equipment and leasehold improvements - net of disposals	1,401	3,604
Health and post secondary education tax levy	11,090	10,642
Library	4,881	4,980
Maintenance	2,706	1,006
Meetings and seminars	5,810	5,082
Office and postage	79,063	67,301
Professional fees	13,593	10,880
Rent	63,494	65,832
Salaries, honoraria and benefits	769,078	742,136
Staff recruitment	778	2,467
Stationery and forms	19,589	24,471
Sundry	1,555	993
Telephone	26,965	23,502
Travel	9,450	9,345
Utilities	3,040	3,068
Total, Exhibit B	$ 1,135,360	$ 1,042,456

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Notes to Financial Statements
for the year ended March 31, 1987

1. Objective of the Society

The objective of the Society is to assist individuals, groups and organizations who, left to their own means, could not afford to retain the services of a lawyer. Clients may be charged a fee based on their ability to pay.

Legal aid may be furnished to groups and organizations involving matters of an interest common to members of the group and relating to issues of public interest such as, but not restricted to, consumer and environmental issues.

Legal aid may be provided to wards of agencies if they would otherwise be eligible for legal aid. The cost of the legal aid provided is recovered from the agencies.

2. Significant Accounting Policies

a) Cash Basis of Accounting

The Society presents its financial statements on a cash basis with the following exceptions:

i) The Society takes into receipts, grants received from the Government of the Province of Manitoba after the end of the fiscal year when these are paid by the Government out of funds voted for the year then ended.

ii) The Society records as disbursements, payments made after the end of the fiscal year of billings for private bar fees and disbursements, when these are reimbursed by the Government out of funds voted for the year then ended. The payments are included in cheques issued and outstanding shown in the Statement of Fund.

b) Fixed Assets

Fixed assets are charged to operations in the year acquired.

c) Pensions

In accordance with the provisions of The Manitoba Civil Service Superannuation Act, the Society contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Society's employees amounted to $818,101 as at December 31, 1986 (1985 - $666,712).

d) Salary Related Costs

Staff benefits and other salary related costs are paid directly out of an appropriation of the Government of the Province of Manitoba and are handled by the Society as described below.

Where the amounts of a particular salary related cost are readily determinable, the amount is shown as a receipt from the Government of the Province of Manitoba and as an expenditure in the appropriate disbursement category. The salary related costs recorded in this manner are pension costs as described in (Note 2 c), unemployment insurance, Canada Pension Plan, group life insurance and the health and post secondary education tax levy.

Where the amounts of a particular salary related cost are not readily determinable, these costs are excluded from the Statement of Receipts and Disbursements. The salary related costs which are handled in this manner are Workers Compensation Board assessments, dental plan and long-term disability payments.

Previously, a significant portion of the health and post secondary education tax levy was considered not readily determinable and excluded from the Statement of Receipts and Disbursements. These amounts have now been determined and reflected retroactively in this statement. This change has no effect on the (deficiency) excess of receipts over disbursements or the fund balance.

3. Legal Assistance - Northern Community Councils

The Society administers an agreement between the Government of the Province of Manitoba, Department of Northern Affairs, and a private legal counsel regarding provision of legal advice and service to the Northern Association of Community Councils pursuant to the Northern Flood Agreement. The Society reviews and processes for payment the billings of the legal counsel and is reimbursed by the Government of the Province of Manitoba.

4. University Law Centre

Effective April 1, 1986 The Manitoba Law Foundation funded the operations of the University Law Centre. The costs associated with the Centre were previously funded by the Government of the Province of Manitoba and were reflected in the Schedule of Community Law Centres.

5. General and Administrative Expenses

General and administrative expenses incurred to provide services of the Public Interest Law Centre, the University Law Centre and the Society's other programs are reflected in the Schedule of General and Administrative Expenses.

6. Significant Commitments, Liabilities and Receivables

a) Commitments

i) Estimated total commitments for future billings on outstanding legal aid certificates amounted to $4,593,000 for the year ended March 31, 1987 (1986 - $4,230,000).

ii) The Society rents facilities under operating leases. The aggregate annual rental of the commitments under the leases, which expire at varying dates to March 31, 1992, are:

1988	$ 204,019
1989	216,171
1990	148,601
1991	126,424
1992	57,781
	$ 752,996

b) Liabilities

	March 31 1987	 1986
Approximate liability for legal aid certificate billings received but unpaid	$ 52,000	$ 362,000
Approximate liability for duty counsel billings received but unpaid	2,000	3,500
Approximate liability for unpaid general and administrative, Community Law Centres and Public Interest Law Centre operating expenses	101,000	75,000
	$ 155,000	$ 440,500

c) Receivables

Approximate accounts receivable respecting contributions, recoveries and judgements, without providing an allowance for doubtful accounts amounted to $138,000 for the year ended March 31, 1987 (1986 - $161,000).

7. Comparative Figures

Certain comparative figures on the financial statements have been restated to conform with the presentation of the current year.

Manitoba

THE LIQUOR CONTROL COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Liquor Control Commission as at March 31, 1987 and the statements of profit and loss and cash flow and the schedule of sales, cost of sales and gross profit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1987 and the results of its operations and its cash flow for the year then ended in accordance with accounting principles as disclosed in note 1 applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

June 19, 1987,
Winnipeg, Manitoba.

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

BALANCE SHEET
AS AT MARCH 31, 1987
($000's)

ASSETS

	1987	1986
Current Assets:		
Cash on hand and in banks	$ 4,138	$ 6,018
Accounts receivable - claims and other	187	231
Inventory (Note 2)	14,223	13,940
Prepaid expenses and supplies	412	265
	$18,960	$20,454

LIABILITIES

	1987	1986
Current Liabilities:		
Net profit payable to the Province of Manitoba	$ 5,262	$ 5,224
Accounts payable - trade and other	7,523	8,740
Manitoba Retail Sales Tax payable	1,441	1,767
Deferred licence fees	234	223
	14,460	15,954
Non-interest bearing working capital advance provided by the Province of Manitoba	4,500	4,500
	$18,960	$20,454

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 1987
($000's)

	1987	1986
Sales:		
Stores and liquor vendors (Note 3)	$179,449	$177,030
Licensees	170,429	160,341
	349,878	337,371
Cost of Sales:		
Stores, liquor vendors, licensees	190,316	182,018
Gross profit	159,562	155,353
Other income (Note 4)	4,855	5,753
	164,417	161,106
General and Administrative Expenses:		
Salaries and benefits	13,703	13,429
Superannuation	1,003	900
Alterations, maintenance and repairs	364	407
Audit, legal and other professional fees	97	52
Cleaning and caretaking	463	425
Corporation capital tax	16	11
Delivery charges	1,018	1,041
Equipment rentals (Note 6)	316	313
Grants in lieu of taxes	477	468
Health and post secondary education tax levy	208	194
Informational programs	159	147
Insurance	13	15
Leased premises - rentals (Note 6)	1,832	1,698
Light, heat, power and water	422	413
Photo ID program	17	31
Printing, postage and stationery	273	298
Product Analysis	345	83
Protective services	158	144
Staff training	66	48
Telephones	147	145
Travelling	201	194
Wrapping supplies	276	264
Miscellaneous	114	104
Board of Commissioners - salaries and expenses	57	55
Licensing Board - salaries and expenses	45	42
	21,790	20,921
Operating profit before fixed assets charged to operations	142,627	140,185
Fixed assets charged to operations (Notes 1 and 5)	765	761
Net profit paid or payable to the Province of Manitoba	$141,862	$139,424

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 1987
($000's)

	1987	1986
Cash Receipts:		
Sales - spirits, wine, beer	$349,878	$337,371
Annual and supplementary licence fees and other	5,166	5,811
Manitoba Retail Sales Tax	21,069	20,820
	376,113	364,002
Cash Disbursements:		
Purchases - merchandise, federal duty, excise and sales taxes, etc.	191,852	181,744
General and administrative expenses	22,163	20,800
Fixed assets charged to operations	759	754
Manitoba Retail Sales Tax	21,395	20,517
	236,169	223,815
Net cash available for transfer	139,944	140,187
Transfers to Minister of Finance:		
Current year profit	136,600	134,200
Prior year profit	5,224	3,472
	141,824	137,672
Excess of receipts over disbursements/transfers		$ 2,515
Excess of disbursements/transfers over receipts	$ 1,880	
Represented by increase in cash in bank:		
Cash on hand and in bank April 1	$ 6,018	$ 3,503
Add excess of receipts over disbursements/transfers		2,515
Less excess of disbursements/transfers over receipts	1,880	
Cash on hand and in bank March 31	$ 4,138	$ 6,018

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

SCHEDULE OF SALES, COST OF SALES AND GROSS PROFIT
FOR THE YEAR ENDED MARCH 31, 1987
($000's)

	Spirits	Wine	Beer	Total
Sales:				
Stores and liquor vendors	$129,914	$ 35,215	$ 14,320	$179,449
Licensees	23,009	8,555	138,865	170,429
Total Sales for 1987	$152,923	$ 43,770	$153,185	$349,878
Total Sales for 1986	$155,887	$ 40,830	$140,654	$337,371
Cost of Sales:				
Total Cost of Sales for 1987	$ 66,335	$ 22,799	$101,182	$190,316
Total Cost of Sales for 1986	$ 67,624	$ 21,334	$ 93,060	$182,018
Gross Profit for 1987	$ 86,588	$ 20,971	$ 52,003	$159,562
Gross Profit for 1986	$ 88,263	$ 19,496	$ 47,594	$155,353
Gross Profit as a Percentage of Sales for 1987	56.6	47.9	33.9	45.6
Gross Profit as a Percentage of Sales for 1986	56.6	47.7	33.8	46.0

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1987
($000's)

1. ACCOUNTING POLICIES

The Commission follows generally accepted accounting principles with the following modifications:

a. Fixed Assets

Fixed assets are charged to operations in the year acquired.

b. Pensions

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation fund. On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $14,064 as at December 31, 1986 (1985 - $13,065).

2. INVENTORY AT COST

Inventory is composed of:

	1987	1986
In bond merchandise	$ 7,716	$ 7,782
Duty paid merchandise	6,507	6,158
	$ 14,223	$ 13,940

The amount of unpaid Customs, Excise duties and Sales tax on owned merchandise held in bond was approximately $4,428 at March 31, 1987 (1986 - $5,132).

3. SALES - STORES AND LIQUOR VENDORS

	1987	1986
Sales to liquor vendors	$ 31,713	$ 32,208
Volume discounts	(2,431)	(2,452)
	29,282	29,756
Store sales	150,167	147,274
	$179,449	$177,030

4. OTHER INCOME

	1987	1986
Supplementary licence fees:		
Licensees	$ 3,831	$ 4,038
Brewers	-	728
Miscellaneous	411	383
Occasional permits, etc.	345	340
Annual licence fees	248	244
Commission for collecting Manitoba Retail Sales Tax	2	2
Licence application fees	18	16
Disposal of fixed assets	-	2
	$ 4,855	$ 5,753

5. FIXED ASSETS

	1987	1986
Fixed assets charged to operations:		
Equipment and furnishings	$233	$337
Leasehold Improvements	402	282
Land and buildings	-	16
Automobiles	46	74
Systems Development	84	52
	$765	$761

6. LONG-TERM LEASES

a. The Commission leases its head office and 13 other buildings from the Government of the Province of Manitoba for the nominal sum of two dollars effective August 1, 1985, for a period of 99 years.

b. The Commission leases another 37 buildings. Leases have expiry dates ranging from 1988 to 2004.

The future minimum lease payments for each of the next five years are as follows:

Year Ending March 31	
1988	$1,278
1989	1,226
1990	1,132
1991	964
1992	883

c. The Commission leases Hewlett-Packard computer equipment. Leases on the Hewlett-Packard computer equipment have expiry dates ranging from 1988 to 1991.

The future minimum lease payments for each of the years to the expiry of the contracts are as follows:

Year Ending March 31	
1988	$194
1989	179
1990	124
1991	14

7. MANITOBA RETAIL SALES TAX

In addition to the net profit of $141,862, the Commission remitted Manitoba Retail Sales Tax of $21,395 (1986 - $20,517).

8. COMPARATIVE FIGURES

Prior year's comparative figures have been restated to conform to the classifications adopted for the fiscal year ended March 31, 1987.

Manitoba

MANFOR LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Manfor Ltd. as at December 31, 1986 and the statements of operating deficit, operations and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our opinion with respect to the comparative amounts shown for the 15 month period ended December 31, 1985 was qualified because the write-off of deferred charges is disclosed in the Statement of Operating Deficit whereas generally accepted accounting principles require such write-offs to be reflected in the Statement of Operations before the transfer of the net loss for the period to the Statement of Operating Deficit.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

April 16, 1987,
Winnipeg, Manitoba.

Statement 1

MANFOR LTD..

BALANCE SHEET
AS AT DECEMBER 31, 1986
(with comparative figures at December 31, 1985)

ASSETS

	1986	1985
	(Thousands of Dollars)	
CURRENT		
Cash and short-term deposits	$ 8,211	$ 699
Accounts receivable - note 2	11,477	9,888
Inventories - notes 1 and 3	22,066	24,328
Prepaid expenses	877	1,211
	42,631	36,126
LONG-TERM RECEIVABLES	--	1,006
FIXED - notes 1 and 4		
Land, buildings, machinery, roads, logging facilities, and equipment	151,172	150,197
Rental housing properties	1,497	2,030
	152,669	152,227
Less accumulated depreciation	59,832	52,817
	92,837	99,410
	$135,468	$136,542

Approved on behalf of the Board:

Director

Robert R. Nelso

Director

LIABILITIES

	1986	1985
	(Thousand of Dollars)	
CURRENT		
Bank indebtedness	$ --	$ 948
Accounts payable and accrued liabilities	7,445	8,330
Current portion of mortages payable	21	53
	7,466	9,331
MORTGAGES PAYABLE - note 5	865	1,096
	8,331	10,427

SHARE CAPITAL AND DEFICIT

	1986	1985
SHARE CAPITAL - note 6	255,640	252,342
OPERATING DEFICIT	(128,503)	(126,227)
	127,137	126,115
	$ 135,468	$ 136,542

Statement 2

MANFOR LTD.

STATEMENT OF OPERATING DEFICIT FOR THE YEAR ENDED DECEMBER 31, 1986

(with comparative figures for the period ended December 31, 1985)

	1986	1985
	(Thousands of Dollars)	
BALANCE, BEGINNING OF PERIOD	$ 126,227	$ 89,782
Write-off of start-up and development costs	--	5,098
Manitoba Development Corporation recoveries - note 7	(3,002)	--
Net Loss for the Period	5,278	31,347
BALANCE, END OF PERIOD	$ 128,503	$ 126,227

Statement 3

MANFOR LTD.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1986

(with comparative figures for the period ended December 31, 1985)

	1986	1985
	(Thousands of Dollars)	
NET SALES		
Paper	$ 69,497	$ 59,507
Lumber	8,945	3,901
Other	612	850
	79,054	64,258
EXPENSES		
Cost of sales	66,512	73,670
General & administrative	9,956	12,673
	76,468	86,343
OPERATING PROFIT (LOSS)	2,586	(22,085)
OTHER EXPENSES (INCOME)		
Interest	(133)	785
Depreciation - note 1	7,871	8,531
Loss (Gain) on sales of fixed assets	126	(54)
	7,864	9,262
NET LOSS FOR THE PERIOD	$ 5,278	$ 31,347

Statement 4

MANFOR LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 1986

(with comparative figures for the period ended December 31, 1985)

	1986 (Thousands of Dollars)	1985
CASH PROVIDED BY (USED FOR)		
Operating Activities		
Net loss	$ (5,278)	$(31,347)
Items not involving cash:		
Depreciation, amortization, and depletion	7,871	8,531
	$ 2,593	$(22,816)
Net change in non-cash working capital balances related to operations	1,127	(5,912)
	3,720	(28,728)
Financing Activities		
Issue of preferred shares	6,300	68,322
Government grant relating to capital expenditure	--	4,871
Decrease in long term debt	(263)	(73)
Decrease in long term receivables	--	53
	6,037	73,173
Investing Activities		
Additions to fixed assets	(2,855)	(42,361)
Net proceeds from disposal of fixed assets	1,558	252
	$ (1,297)	$(42,109)
INCREASE IN CASH	8,460	2,336
CASH AT BEGINNING OF PERIOD	(249)	(2,585)
CASH AT END OF PERIOD	$ 8,211	$ (249)

Cash position represents cash less bank loans.

MANFOR LTD.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1986

(with comparative figures for the period ended December 31, 1985)

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Company.

a. Inventories
Inventories are valued using the following methods:

Logs, Work in Process, and Finished Goods - lower of cost and net realizable value

Mill stores and other supplies - lower of cost and replacement cost

Cost is generally determined on an average cost basis.

b. Depreciation

Depreciation is being applied on the following basis:

Fixed assets, except those pertaining to the Woodlands and Real Estate Divisions and all mobile equipment, are depreciated on a straight-line pooled basis over twenty years. The cost of fixed assets removed, less recovery from disposal proceeds, is charged to accumulated depreciation. During the year, $1,111,000 of fixed assets were so removed. Capitalized start-up developments costs relative to the modernization are amortized over ten years. Gains and losses incurred on the disposal of fixed assets pertaining to the Woodlands and Real Estate Divisions and mobile equipment are credited or charged to operations.

Woodlands Division

Camp buildings - Straight-line over ten years

Logging equipment - Hours used related to estimated total useable hours

MANFOR LTD.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1986

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

Roads & railspurs - Timber delivered to the millsite related to estimated total yield of area serviced

Other equipment - Straight-line over three to twenty years

Real Estate Division:

Rental housing properties - Straight-line over forty years

Mobile Equipment - Hours used related to estimated total useable hours.

c. Foreign Exchange

Current assets and liabilities of the Company expressed in United States dollars are translated into Canadian dollars at the rate of exchange on the balance sheet date. The resulting net gain or loss is reflected in operations.

2. ACCOUNTS RECEIVABLE

	1986	1985
	(Thousands of Dollars)	
Trade	$10,134	$ 8,883
Due from Receiver	--	117
Other	337	888
D.R.I.E. Grant Receivable	1,006	--
	$11,477	$ 9,888

3. INVENTORIES

Inventories consist of the following:

	1986	1985
	(Thousands of Dollars)	
Logs	$10,480	$10,120
Work in process	2,309	3,275
Finished goods	1,150	2,746
Mill stores and other supplies	8,127	8,187
	$22,066	$24,328

4. FIXED ASSETS

Land, buildings, machinery, roads, logging facilities and equipment, except the machinery plant, were valued on the basis of inventoried expenditures to the date of receivership, January 7, 1971, amounting to $64,753,000, including a reasonable assessment for engineering and supervision fees and interest charges. The Engineering Division fixed assets were valued at $500,000 on the basis of an estimated useful value to the integrated operations at January 7, 1971. Subsequent fixed asset additions and construction in progress as at December 31, 1986, have been recorded at cost. The Company has deducted government grants received or receivable from the cost of fixed assets acquired. These grants aggregated $22,500,000 as at December 31, 1986.

5. MORTGAGES PAYABLE

	1986	1985
	(Thousands of Dollars)	
On rental properties with interest rates from 6.75% to 9.75% maturing 1995 to 2006	$ 886	$ 1,149
Less current portion	21	53
	$ 865	$ 1,096

Subsequent to the year end, the rental housing properties securing these mortgages have been or are likely to be sold in 1987 resulting in the elimination of these mortgages.

MANFOR LTD.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1986

6. SHARE CAPITAL

The Company is wholly-owned by the Province of Manitoba and is incorporated under the authority of The Manitoba Natural Resources Development Act.

Shares Authorized:

Common Shares:

Unlimited number of shares of $1 par value.

Preferred Shares:

Class "A"

Unlimited, non-participating, non-voting, carrying a non-cumulative dividend entitlement of 7%, redeemable at $1 per share.

Class "B"

Unlimited, retractable, non-voting, carrying a cumulative dividend entitlement of 11%, redeemable at $1 per share.

Shares Issued:

Common shares at December 31, 1985 and 1986	$ 20,000,000
Class "A" preferred shares at December 31, 1985	193,823,028
Add: Issued during the year to the Province of Manitoba for additional funding	6,300,000
Less: Redeemed during the year by the Province of Manitoba - note 7	3,002,219
Class "A" preferred shares at December 31, 1986	$197,120,809

6. SHARE CAPITAL (cont.)

Class "B" preferred shares at December 31, 1985 and 1986	38,519,000
Total shares issued at December 31, 1986	$255,639,809

The arrears of dividends on the Class "B" preferred shares at December 31, 1986, was $8,926,204. (December 31, 1985, $4,689,114)

7. SHARE REDEMPTION

According to an agreement between the Province of Manitoba, the Manitoba Development Corporation and Manfor Ltd., the Manitoba Development Corporation is required to carry out the remaining actions with regard to the receivership and to pay the necessary charges and make appropriate recoveries. The Province of Manitoba is to receive from the Manitoba Development Corporation any recoveries realized. Manfor Ltd. is to reflect the recoveries by the Province of Manitoba through a cancellation of its preferred shares and an adjustment of capital deficit.

During the year, the Manitoba Development Corporation received $3,002,219 from the settlement of a lawsuit which was paid to the Province of Manitoba. As of April 1, 1983, the accumulated capital deficit of Manfor Ltd. of $59 million was written off by Order-In-Council No. 1296 dated November 30, 1985. The redemption of shares has been recorded as an adjustment to the operating deficit.

8. UNFUNDED ACTUARIAL LIABILITY

The pension plan for hourly paid employees represented by the Canadian Paperworkers Union was amended effective December 1, 1980, and December 1, 1983, to increase monthly pension benefits. On the basis of an actuarial valuation, this benefit improvement created an unfunded liability. At December 31, 1986, the balance unfunded is $244,943 which will be funded by annual installments of $26,132 for each of the years 1987 to 2000 in accordance with The Pension Benefits Act. The next valuation of the plan has been undertaken as of December 31, 1986.

9. ECONOMIC DEPENDENCE

The Company is economically dependent on the Government of the Province of Manitoba.

10. COMPARATIVE FIGURES

The year end of the Company was changed to December 31 at December 31, 1985. As a consequence, the figures shown for 1985 are for a fifteen month period as compared with the twelve month period to December 31, 1986. Certain figures for the preceding period have been reclassified to conform with the presentation adopted in 1986.

Manitoba

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to E and Schedule 1, of The Manitoba Agricultural Credit Corporation for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statements present fairly the financial position of The Manitoba Agricultural Credit Corporation as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

July 28, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

The Agricultural Credit Corporation Act

	1987	1986
Cash:		
On hand and in bank	$ 52,163	$ 66,283
On deposit with the Minister of Finance (Note 2a)iv))	5,291,646	2,171,665
	5,343,809	2,237,948
Accounts receivable:		
Rent, less allowance for doubtful accounts (Note 7a))	274,959	130,616
Sale of real estate	52,444	58,163
Conditional incentive grants and accrued interest	17,679	22,493
Other	16,145	6,084
	361,227	217,356
Other receivables, less allowance for doubtful accounts:		
Stocker program advances (Note 3)	2,322,368	1,893,486
Mortgages, chattels and agreements for sale (Note 4)	217,631,527	206,470,792
Promissory notes (Note 5)	779,799	958,986
Security agreements (Note 6)	2,478,451	3,766,757
Real estate (Note 8)	12,668,863	9,699,663
Unamortized debt discount and expense	55,708	62,075
	241,641,752	225,307,063

Part III of The Fisheries Act

	1987	1986
Cash on deposit with the Minister of Finance	194,429	104,869
Prepaid expenses	1,520	1,379
Loans receivable, less allowance for doubtful accounts Note 7b))	4,640,941	3,643,559
	4,836,890	3,749,807
	$ 246,478,642	$ 229,056,870

Exhibit A

LIABILITIES AND (DEFICIT)

The Agricultural Credit Corporation Act

	1987	1986
Accounts payable:		
The Province of Manitoba	$ 535,242	$ 670,563
Other	1,197,647	1,681,488
	1,732,889	2,352,051
Provision for losses on guaranteed operating loans (Note 14c))	2,819,050	911,056
Advances from the Province of Manitoba (Note 9 a))	244,703,258	226,751,303
Deficit account (Note 10):		
Balance at beginning of year	(4,707,347)	2,902,389
Excess of expenditure over revenue, Exhibit B	(2,906,098)	(7,609,736)
Balance at end of year	(7,613,445)	(4,707,347)
	241,641,752	225,307,063

Part III of The Fisheries Act

	1987	1986
Accounts payable	8,601	21,518
Advances from the Province of Manitoba (Note 9 b))	4,800,000	3,700,000
Reserve for Working Capital:		
Balance at beginning and end of year	28,289	28,289
	4,836,890	3,749,807
	$ 246,478,642	$ 229,056,870

Exhibit B

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Revenue and Expenditure
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Interest:		
Mortgages, chattels and agreements for sale	$ 23,332,819	$ 22,147,694
Promissory notes	182,886	245,178
Stocker program	248,834	253,095
Security agreements	284,881	333,990
Cash on deposit with the Minister of Finance	15,886	8,192
Term deposits with the Minister of Finance	297,077	516,511
Real estate (Note 12)	1,203,253	1,077,446
Other	26,413	21,688
	25,592,049	24,603,794
Expenditure:		
Administration, Schedule 1	10,416,444	7,557,530
Financing charges, net:		
Interest on advances from the Province of Manitoba, amortization of debt discount and service charges	25,598,959	24,390,530
Less:		
Amount assumed by the Province of Manitoba (Note 2 b))	7,517,256	5,059,594
	18,081,703	19,330,936
Total expenditure	28,498,147	26,888,466
Excess of expenditure over revenue before refund to the Province of Manitoba (Note 10)	2,906,098	2,284,672
Refund to the Province of Manitoba - allowances for doubtful accounts (Note 10)	-	5,325,064
Excess of expenditure over revenue	$ 2,906,098	$ 7,609,736

The accompanying notes are an integral part of these financial statements.

Exhibit C

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act
Statement of Revenue and Expenditure
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Interest:		
Loans	$ 467,837	$ 435,698
Grant from the Province of Manitoba re administration costs (Note 2b))	379,756	379,600
	847,593	815,298
Expenditure:		
Administration costs:		
Salaries	$ 264,617	281,589
Audit fees	7,010	6,980
Bad debts (Note 7)	99,382	72,190
Collection expenses	1,092	636
Corporation capital tax	(170)	170
Data processing	6,406	6,387
Employee benefits	20,172	15,240
Furniture and fixtures	9,349	-
Health and post secondary education levy	3,464	3,275
Miscellaneous	385	160
Postage	1,694	1,768
Rental of office premises	12,004	4,232
Stationery, supplies and equipment rentals	5,267	5,923
Telephone	9,852	9,101
Travelling	22,969	26,197
Workers compensation	1,764	1,389
Relocation expenses	-	3,907
	465,257	439,144
Financing charges:		
Interest on advances from the Province of Manitoba	382,336	376,154
	847,593	815,298
Excess of revenue over expenditure	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Exhibit D

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Receipts and Disbursements
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Receipts:		
Advances from the Province of Manitoba	$ 35,000,000	$ 37,836,900
Province of Manitoba - Interest reduction program (Note 11)	-	6,030,665
Collections on account of mortgages, chattels and agreements for sale:		
Principal	12,625,960	12,636,384
Interest (Note 11)	20,019,435	15,960,656
Other charges	912,584	677,764
	33,557,979	29,274,804
Collections on account of promissory notes:		
Principal	187,760	378,877
Interest (Note 11)	201,877	237,902
	389,637	616,779
Collections on account of stocker program advances receivable:		
Principal	3,234,206	2,350,133
Interest	229,247	243,436
	3,463,453	2,593,569
Collections on account of security agreements receivable:		
Principal	8,373,899	8,782,478
Interest	313,716	346,548
	8,687,615	9,129,026
Collections on account of Manitoba Interest Rate Relief Program (Note 15)		
Principal	399,347	294,340
Interest	283,840	102,905
	683,187	397,245
Interest:		
On cash on deposit with the Minister of Finance	15,886	8,192
On term deposits with the Minister of Finance	297,077	516,511
	312,963	524,703
Carried forward	$ 82,094,834	$ 86,403,691

Exhibit D

	1987	1986
Disbursements:		
Mortgages and agreements for sale	$ 27,792,971	$ 22,722,195
Promissory notes	4,082	10,009
Stocker program	3,726,969	2,710,587
Land and building purchases	92,804	72,146
Security agreements	7,103,627	9,193,846
Sundry charges on account of mortgages	776,181	724,836
Taxes charged on land leasing	126,554	144,670
Young farmer rebates	1,858,801	2,122,356
Payments to farmers - Interest reduction program (Note 11)	-	3,695,882
Refund to the Province of Manitoba - allowances for doubtful accounts (Note 10)	-	5,325,064
Financing charges paid to the Province of Manitoba: Interest on advances and service charges, net	18,086,305	19,306,892
Payment to the Province of Manitoba of collections on account of Manitoba Interest Rate Relief Program (Note 15)		
Principal	363,103	267,252
Interest	303,959	87,823
	667,062	355,075
Carried forward	$ 60,235,356	$ 66,383,558

Exhibit D

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Receipts and Disbursements
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Receipts:		
Brought forward	$ 82,094,834	$ 86,403,691
Proceeds from term deposits	14,150,000	19,850,000
Proceeds from sale of real estate	1,113,686	254,711
Collections on account of land leasing	976,290	826,141
Collections on account of livestock incentive grants	–	3,637
Administration costs - Manitoba Interest Rate Relief Program (Note 15)	32,650	36,038
Miscellaneous	128,030	486,132
Trust account:		
Insurance claim proceeds	5,964	71,471
Total cash receipts	98,501,454	107,931,821
Cash on hand, in bank and on deposit with the Minister of Finance at beginning of year	2,237,948	2,853,239
	$ 100,739,402	$ 110,785,060

The accompanying notes are an integral part of these financial statements.

Exhibit D

	1987	1986
Disbursements:		
Brought forward	$ 60,235,356	$ 66,383,558
Repayment of capital advances to the Province of Manitoba	17,048,045	18,791,481
Purchase of term deposits	14,150,000	19,850,000
Administration costs	3,618,199	3,457,971
Miscellaneous	343,993	25,039
Trust account:		
Other	-	39,063
Total cash disbursements	95,395,593	108,547,112
Cash on hand, in bank, less overdraft, and on deposit with the Minister of Finance at end of year	5,343,809	2,237,948
	$ 100,739,402	$ 110,785,060

Exhibit E

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act
Statement of Receipts and Disbursements
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Receipts:		
Province of Manitoba:		
Advances	$ 1,100,000	$ 200,000
Grant re administration costs	379,756	379,600
	1,479,756	579,600
Collections on account of loans:		
Principal	2,936,711	2,648,395
Interest	418,338	415,871
Interest from Province of Manitoba	34,570	-
	3,389,619	3,064,266
Miscellaneous	507	669
Total cash receipts	4,869,882	3,644,535
Cash on deposit with the Minister of Finance at beginning of year	104,869	300,914
	$ 4,974,751	$ 3,945,449
Disbursements:		
Loans	$ 4,018,618	$ 3,117,228
Administration costs	379,368	347,198
Interest on advances from the Province of Manitoba	382,336	376,154
Total cash disbursements	4,780,322	3,840,580
Cash on deposit with the Minister of Finance at end of year	194,429	104,869
	$ 4,974,751	$ 3,945,449

The accompanying notes are an integral part of these financial statements.

Schedule 1

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Schedule of Administration Expenditure
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Salaries	$ 1,680,362	$ 1,514,551
Advertising	44,538	46,397
Audit fees	28,040	27,920
Bad debts (Notes 2 c) and 7):		
- promissory notes	(34,198)	84,889
- mortgages, chattels and agreements for sale	4,878,623	3,052,407
- stocker program	93,315	158,457
- land lease program	853	292,901
- security agreements	(10,800)	51,193
Collection expenses	4,414	4,002
Corporation capital tax	(17,414)	17,414
Data processing	59,691	56,337
Directors' fees and expenses	24,946	19,921
Ear tags	(3,569)	22,587
Employee benefits	124,374	134,502
Guaranteed loan losses	2,797,079	1,435,568
Insurance	6,774	2,635
Health and post secondary education levy	26,063	23,229
Messenger service	3,526	3,856
Miscellaneous	1,639	1,589
Office furniture and equipment	45,662	98,521
Office rental, cleaning, light and power	140,844	77,497
Postage	24,810	24,963
Professional fees	5,287	10,275
Property taxes	135,924	112,223
Real estate maintenance	90,123	26,127
Relocation expenses	1,450	11,599
Stationery, office supplies and equipment rental	56,528	51,398
Telephone	43,602	37,384
Travelling	135,431	146,976
Workers compensation	13,890	10,212
The Manitoba Mediation Board expenses (Note 17)	14,637	-
Total administration expenditure, Exhibit B	$ 10,416,444	$ 7,557,530

The accompanying notes are an integral part of these financial statements.

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements
for the year ended March 31, 1987

1. The Manitoba Agricultural Credit Corporation is incorporated under a specific statute of the Province of Manitoba, being Chapter A-10 of the Revised Statutes of Manitoba, 1970.

   The Corporation carries out the following programs:

   i) It provides and administers financial assistance to farmers to assist in the development of farms under its Act;

   ii) It provides and administers loans to commercial fishermen under the Manitoba Fisheries Act;

   and the Corporation accounts for each of these programs separately.

2. Significant accounting policies of the Corporation are as follows:

   a) The Corporation operates on the accrual basis of accounting except for the following:

      i) Equipment and office furniture are charged to operations in the year of acquisition.

      ii) Revenue from real estate is not offset by depreciation on farm buildings and equipment acquired together with land purchased for the land leasing operations.

      iii) In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Corporation's employees amounted to $1,545,416 at December 31, 1986 (1985 - $1,375,146).

      iv) In accordance with the procedures followed by the Province of Manitoba the Corporation's account with the Minister of Finance is held open until May 15, to reflect transactions recorded by the Province as of March 31.

   b) In accordance with the Acts under which it operates, the amounts by which the expenditures of the programs it administers exceed the related revenues may be recovered from the Province from its appropriations.

   c) The allowances for doubtful accounts are determined on an individual account basis and relate to loans and accounts receivable and represent an estimate of probable losses on the accounts outstanding at year end as shown in note 7. Actual losses on loans and accounts receivable are charged to the appropriate allowance when written off by Board resolution. The adjustment of the allowances to the required level is charged to administration expenditure as bad debts.

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements for the year ended March 31, 1987

3. Stocker program advances receivable consisted of the following at March 31:

	1987	1986
Renewable interest bearing advances, 18 month term	$ 2,447,183	$ 1,999,967
Interest free advances, 12 month term, discontinued in 1975-76	20,464	20,695
Interest bearing advances under programs discontinued in 1974-75	2,151	13,149
Accrued interest	99,454	97,379
	2,569,252	2,131,190
Less: allowance for doubtful accounts	246,884	237,704
	$ 2,322,368	$ 1,893,486

4. A summary of mortgages, chattels and agreements for sale receivable by years in which the instalments become due and payable is as follows:

Receivable Within:	1987	1986
1 year		
Accrued interest	$ 12,791,468	$ 12,480,327
Arrears	12,764,145	7,729,977
Prepayments	(6,358,257)	(5,572,540)
Regular instalments	6,005,394	5,314,110
	25,202,750	19,951,874
2 years - regular instalments	6,206,947	5,746,612
3 years - regular instalments	6,485,550	5,859,894
4 years - regular instalments	6,936,861	6,046,861
5 years - regular instalments	7,297,988	6,427,462
Over 5 years - regular instalments	174,551,300	168,382,596
	226,681,396	212,415,299
Less: allowance for doubtful accounts	9,049,869	5,944,507
	$ 217,631,527	$ 206,470,792

5. Promissory notes receivable are comprised mainly of loans made under the Farm Diversification Plan Program of the Province of Manitoba. Since 1976, those loans, which have been made for the purchase of livestock and equipment, have been secured by means of lien notes on the said livestock and equipment. Other loans under this program are unsecured. This program was terminated in December 1978. A summary of promissory notes receivable by years in which the instalments become due is as follows:

Receivable Within:	1987	1986
1 year		
Accrued interest	$ 97,592	$ 134,748
Arrears	696,303	729,389
Prepayments	(16,637)	(70,976)
Regular instalments	155,329	245,590
	932,587	1,038,751
2 years - regular instalments	119,790	175,205
3 years - regular instalments	88,109	134,145
4 years - regular instalments	80,980	97,487
5 years - regular instalments	81,780	88,660
Over 5 years - regular instalments	165,809	312,188
	1,469,055	1,846,436
Less: allowance for doubtful accounts	689,256	887,450
	$ 779,799	$ 958,986

6. Security agreements receivable consist of advances made to farmers who are registered with the Manitoba Beef Commission and total $2,523,861 (1986 - $3,823,138) less the allowance for doubtful accounts of $45,410 (1986 - $56,381). These advances are mainly repayable to the Corporation within fourteen months of disbursement.

At March 31, 1987, accrued interest of $68,293 (1986 - $130,892) and arrears of $208,936 (1986 - $196,935) are included in the total security agreements receivable.

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements
for the year ended March 31, 1987

7. Asset account balances are shown net of the following allowances for doubtful accounts (Note 2c)):

Asset	Allowance March 31/86	Adjustment Required 1986/87	Accounts Written-Off 1986/87	Required Allowance March 31/87
a) The Agricultural Credit Corporation Act				
Accounts receivable - rent	$ 484,175	$ 853	$ 131	$ 484,897
Stocker program	237,704	93,315	84,135	246,884
Mortgages, chattels and agreements	5,944,507	4,878,623	1,773,261	9,049,869
Promissory notes	887,450	(34,198)	163,996	689,256
Security agreements	56,381	(10,800)	171	45,410
	$ 7,610,217	$ 4,927,793	$ 2,021,694	$ 10,516,316
b) Part III - The Fisheries Act				
Loans receivable	$ 335,734	$ 99,382	$ 22,430	$ 412,686

8. Real estate consists of purchases for the land lease program, at cost, and foreclosures and quit claims, at the lower of the foreclosed amounts and quit claims amounts or appraised values. Approximately 97% of this real estate has been leased, 90% of which is subject to an option to purchase.

9. The advances from the Province of Manitoba consisted of the following at March 31:

	1987	1986
a) The Agricultural Credit Corporation Act:		
Advances repayable in equal annual blended principal and interest instalments:		
Rates range from 7.5% to 13.375%	$ 225,853,258	$ 207,901,303
Advances repayable at maturity:		
11% due May 1, 1989	10,000,000	10,000,000
12.74% due March 3, 2000	8,850,000	8,850,000
	$ 244,703,258	$ 226,751,303
Maturities of principal by fiscal year are as follows:		
1987	$ -	$ 12,320,857
1988	12,576,917	8,962,440
1989	13,331,906	8,550,703
1990	20,225,903	19,145,395
1991	10,986,112	9,824,231
1992	9,865,064	9,047,414
1993 through 2017	177,717,356	158,900,263
	$ 244,703,258	$ 226,751,303
b) Part III of The Fisheries Act:		
Advances repayable on demand, interest payable at prime rates	$ 4,800,000	$ 3,700,000

10. Deficit Account

During the year ended March 31, 1986, the Province of Manitoba changed the basis for funding the allowances for doubtful accounts under The Agricultural Credit Corporation Act. Previous to that year the Province provided funds to cover the increase in the allowances each year but this practice was discontinued and now the Province provides funds only on accounts actually written off by the Corporation. To initiate this change in funding policy, the Corporation refunded $5,325,064 to the Province in 1986, being the balance of the allowance for doubtful accounts as at March 31, 1985.

This change in funding policy has resulted in increasing the excess of expenditure over revenue for the year ended March 31, 1987 by $2,906,098 (1986 - $2,285,153).

11. The Province of Manitoba provided $6,030,665 for the 1985-86 interest reduction program. Of this amount, $3,695,882 was paid directly by the Corporation to farmers. The balance of $2,334,111 was retained by the Corporation and credited to client accounts in arrears.

12. During the year ended March 31, 1987, the Corporation sold eighteen of its properties. The results were as follows:

	Number of Sales	Sales Proceeds	Cost	Gain
Sale to Lessee	1	$ 99,000	$ 93,283	$ 5,717
Sales by Public Tender	17	1,029,406	888,985	140,421
	18	$ 1,128,406	$ 982,268	$ 146,138

The gain of $5,717 on the sale to the lessee resulted from adjustments on the exercise of purchase options by the lessee of the previously charged lease rates to the lending rates in effect at the date of the lease.

The total gain of $146,138 (1986 - $128,455) has been included in real estate revenue of $1,203,253 (1986 - $1,077,446).

13. Funds approved but not disbursed as at March 31 amounted to:

	1987	1986
a) The Agricultural Credit Corporation Act:		
Direct loans	$ 4,588,720	$ 4,898,731
Corporate loans	842,836	453,303
Refinancing program - regular	1,183,443	2,683,391
- corporate	462,407	293,670
Part-time farmers	117,775	226,600
Stocker program	1,755,546	1,332,951
Land lease program	3,501	3,501
Crown land loans	56,350	36,780
Security agreements	101,275	691,924
	$ 9,111,853	$ 10,620,851

The Corporate loans amount includes $283,891 which represents performance bond guarantees to agricultural marketing agencies.

	1987	1986
b) Part III of The Fisheries Act:		
Direct loans	$ 269,830	$ 234,176

14. At March 31, 1987, the Corporation was contingently liable as guarantor of loans made under The Agricultural Credit Corporation Act by lending institutions as follows:

    a) The Corporation is liable under its guarantee for losses sustained by the lending agencies on loans to individual farmers but the amount of liability to any one agency cannot exceed 10% of the total guaranteed loans made by the agency during a guarantee period. The last of these guarantees was given during the 1983-84 fiscal year. At March 31, the Corporation's contingent liability on the basis of 10% of loans made by agencies during the previous guarantee periods was:

	1987	1986
For the thirty-nine month guarantee period ended March 31, 1981	$ 87,931	$ 87,931
For the three year period ended March 31, 1984	67,000	67,000
	$ 154,931	$ 154,931

    b) The Corporation also fully guarantees loans to individuals for the purpose of farming. The last of these guarantees was given during the 1982-83 fiscal year. At March 31, 1987, these guaranteed loans amounted to $1,059,685 (1986 - $1,193,475).

    c) Effective April 1, 1983, a Guaranteed Operating Loan program was introduced. Under this program the Corporation guarantees 12 1/2% of the aggregate total guaranteed loans made by each participating lending institution. As of March 31, 1987, the Corporation's contingent liability amounted to $5,001,020 (1986 - $4,943,721). A partial provision for this contingency has been made in the financial statements in the amount of $2,819,050 (1986 - $911,056).

15. The Corporation administers the agricultural portion of the Manitoba Interest Rate Relief Program for the Province of Manitoba. The Province has provided grants and deferred recoverable advances to farmers under this program which was initiated during the 1982-83 year. The Corporation monitors compliance with the conditions of the program, collects amounts due and remits them to the Province.

16. The Government of the Province of Manitoba provides the service of legal counsel, a computer system programmer/analyst and other miscellaneous administrative service at no charge to the Corporation.

17. The Manitoba Mediation Board Expenses

During the year ended March 31, 1987 The Manitoba Mediation Board was established under Part II of The Family Farm Protection Act. Expenses of $14,637 paid by the Corporation on behalf of the Board covered initial start-up costs for advertising ($11,723) and stationery ($2,914) incurred by the Board.

18. Comparative Figures

Comparative figures for the year ended March 31, 1986 have been restated where necessary to conform with the presentation adopted for March 31, 1987.

Manitoba

MANITOBA ARTS COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to E and Schedule 1, of the Manitoba Arts Council for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these statements present fairly the financial position of the Manitoba Arts Council as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

September 14, 1987,
Winnipeg, Manitoba.

Exhibit A

MANITOBA ARTS COUNCIL

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

	1987	1986
Grants and Programs Fund		
Cash and term deposits	$ 287,873	$ 139,387
Marketable securities (note 4)	2,998,173	2,314,006
Accounts receivable	77,347	63,534
Accrued interest receivable	39,970	42,032
	3,403,363	2,558,959
Manitoba Arts Gaming Fund		
Receivable from Grants and Programs Fund	567,924	161,047
	567,924	161,047
Council Designated Funds		
Receivable from Grants and Programs Fund	127,315	367,814
Investments, at cost (Note 5)	709,900	410,000
	837,215	777,814
	$ 4,808,502	$ 3,497,820

Exhibit A

LIABILITIES AND BALANCE OF FUNDS

	1987	1986
Grants and Programs Fund		
Accounts payable and accrued liabilities	$ 35,582	$ 36,968
Commitments on grants and programs	915,029	884,296
Payable to Manitoba Arts Gaming Fund	567,924	161,047
Payable to Council Designated Funds	127,315	367,814
Grants and Programs Fund, Exhibit B (notes 3 and 7)	1,757,513	1,108,834
	3,403,363	2,558,959
Manitoba Arts Gaming Fund		
Commitments on distributions to organizations	179,800	3,000
Manitoba Arts Gaming Fund, Exhibit C (notes 3 and 7)	388,124	158,047
	567,924	161,047
Council Designated Funds		
Jack Hassard Memorial Trust Fund, Exhibit D (notes 3 and 7)	2,500	2,500
Manitoba Artists Bank Fund, Exhibit E (notes 3 and 7)	834,715	775,314
	837,215	777,814
	$ 4,808,502	$ 3,497,820

Exhibit B

MANITOBA ARTS COUNCIL

Grants and Programs Fund
Statement of Revenue, Expenditures and Fund Balance
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Province of Manitoba - general grant	$ 1,551,800	$ 1,521,400
- Careerstart	1,715	4,389
	1,553,515	1,525,789
The Manitoba Lotteries Foundation	4,051,426	3,446,723
Investment income	161,948	96,045
	5,766,889	5,068,557
Expenditures:		
Grants and programs:		
Grants to Organizations	2,977,160	2,521,210
Arts Exposure Program, net of recoveries	283,248	307,362
Creative Arts Program	673,790	512,617
Student Aid Program	40,890	44,380
Touring Program	256,502	107,419
Arts Development Program	307,206	308,093
Total grants and programs	4,538,796	3,801,081
Administrative, Schedule 1	607,506	452,612
Total expenditures	5,146,302	4,253,693
Rescinded grant commitments	(28,092)	(35,790)
Net expenditures	5,118,210	4,217,903
Excess of revenue over expenditures for the year	648,679	850,654
Balance at beginning of year	1,108,834	258,180
Balance at end of year, Exhibit A	$ 1,757,513	$ 1,108,834

Exhibit C

MANITOBA ARTS COUNCIL

Manitoba Arts Gaming Fund
Statement of Revenue, Expenditures and Fund Balance
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Revenue from casino event	$ 130,208	$ 171,164
Revenue from Gaming Fund of The Manitoba Lotteries Foundation (note 8)	1,065,773	852,538
Investment income	39,005	38,964
	1,234,986	1,062,666
Expenditures:		
Grants and programs:		
Distributions to Organizations	970,058	1,007,959
Direct and allocated costs (note 6)	34,851	11,994
	1,004,909	1,019,953
Excess of revenue over expenditures for the year	230,077	42,713
Balance at beginning of year	158,047	115,334
Balance at end of year, Exhibit A	$ 388,124	$ 158,047

Exhibit D

MANITOBA ARTS COUNCIL

Jack Hassard Memorial Trust Fund
Statement of Revenue, Expenditures and Fund Balance
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Investment income	$ 250	$ 250
Expenditures:		
Award	250	250
Excess of revenues over expenditures for the year	-	-
Balance at beginning of year	2,500	2,500
Balance at end of year, Exhibit A	$ 2,500	$ 2,500

Exhibit E

MANITOBA ARTS COUNCIL

Manitoba Artists Bank Fund
Statement of Revenue, Expenditures and Fund Balance
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Investment income	$ 66,753	$ 64,051
Expenditures:		
Administrative	7,352	-
Excess of revenue over expenditures for the period	59,401	64,051
Balance at beginning of year	775,314	711,263
Balance at end of year, Exhibit A	$ 834,715	$ 775,314

Schedule 1

MANITOBA ARTS COUNCIL

Grants and Program Fund
Schedule of Administrative Expenditures
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Advertising	$ 4,292	$ 1,998
Bank charges	1,507	1,097
Consultants' fees	35,106	39,335
Council - remuneration	18,050	20,350
- expenses	4,867	4,182
Equipment and art rentals	2,908	4,147
Furniture and equipment	20,686	13,742
Health and Post Secondary Education Tax Levy	5,501	3,830
Miscellaneous	5,983	4,498
Office renovations	57,760	6,163
Office maintenance	2,522	2,331
Office rent	33,456	36,345
Office supplies	6,457	5,117
Printing and stationery	13,803	10,969
Professional fees	5,837	4,135
Salaries and benefits	380,917	242,654
Staff development	2,893	33,362
Systems development	3,035	-
Telephone	10,280	8,079
Travel - Council members	9,066	5,055
- staff	9,590	5,223
Total administrative expenditures	634,516	452,612
Less: overhead recovery from the Manitoba Arts Gaming Fund (note 6)	27,010	-
Net administrative expenditures, Exhibit B	$ 607,506	$ 452,612

MANITOBA ARTS COUNCIL

Notes to Financial Statements
for the year ended March 31, 1987

1. Nature of Operations

The Arts Council Act established the Manitoba Arts Council for the purpose of promoting the study, enjoyment, production and performance of works in the arts.

2. Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles with the exception of points a, b and c below. Grants and programs costs are reflected as expenditures in the accounts when funding is formally approved and committed by Council. The rescinded commitments in the financial statements reflect cancellations of expenditures of the previous years.

a) The Council follows the Fund basis of accounting.

b) Gaming revenues are recorded on a cash basis.

c) Fixed assets are charged to expenditures in the year of acquisition.

3. Basis of Accounting

The Council records financial transactions on the fund accounting basis as follows:

a) Grants and Programs Fund

The program fund includes transactions related to the disbursement and administration of grants to organizations and individuals whose purposes are similar to those of the Council as provided in The Arts Council Act.

b) Manitoba Arts Gaming Fund

The Manitoba Arts Gaming Fund accounts for a share of funds received under the terms of an agreement with the Manitoba Lotteries Foundation for the purpose of distributing a share of gaming revenues to charitable arts organizations.

c) Council Designated Funds

i) Jack Hassard Memorial Trust Fund

In March 1980, the Manitoba Arts Council designated $2,500 to be known as The Jack Hassard Memorial Trust Fund. Annually, an amount representing interest income is awarded to the Portage la Prairie and District Arts Council for its Jack Hassard scholarship.

ii) Manitoba Artists Bank Fund

The Manitoba Artists Bank Fund was established for the following purposes:

a) To acquire musical instruments for loan to deserving artists;

b) To acquire works of art from Manitoba artists for rent to provincial government departments and crown corporations and agencies.

4. Marketable Securities

Marketable securities are recorded at cost and include a variety of short-term investments in the amount of $2,961,173 that mature within 90 days and a Manitoba Hydro-Electric Board bond in the amount of $37,000 (market value, $51,764; 1986 - $50,306) which matures December 17, 1998.

5. Investments

	1987	1986
Annuity, London Life Insurance Company maturing January 15, 1992 providing yearly payments of $95,100	$ 359,900	$ 410,000
The Winnipeg Foundation Consolidated Trust Fund (Market $367,390)	350,000	-
Total Exhibit A	$ 709,900	$ 410,000

6. Overhead Recovery

Direct costs associated with the Manitoba Arts Gaming Fund are charged to it on Exhibit C in the amount of $7,841 (1986 - $11,994). In addition, an administrative charge, calculated at 2% of the funds allocated to the Manitoba Arts Gaming Fund by the Manitoba Lotteries Foundation, was initiated during 1987. This charge amounted to $27,010.

7. Commitments and Contingencies

a) Lease Commitment

Council has entered into a lease agreement for office premises until March 2, 1992. The basic rent is $54,340 exclusive of an escalation clause for specific items.

b) Long-Term Commitment

In the 1984 fiscal year, the Winnipeg Symphony Orchestra Inc. arranged deficit financing by way of a loan of $150,000 from private sources. In the same year, Council agreed to provide funding of $15,000 per year for the next ten years to the Symphony for repayment of this loan. The balance outstanding on this guarantee is $105,000 (1986 - $120,000). Funding to Council to this extent has been guaranteed by the Province of Manitoba.

c) Manitoba Artists Bank Fund

The Council has approved the acquisition of works of art totalling $33,420.

d) Manitoba Arts Gaming Fund

The Manitoba Arts Gaming Fund includes $150,000 designated for project support of community based art groups during 1988.

8. Manitoba Arts Gaming Fund

Revenues and expenditures of the Manitoba Arts Gaming Fund do not reflect the results of bingo events administered by the Manitoba Lotteries Foundation. Net proceeds from bingo events are distributed directly to charitable arts organizations by the Manitoba Lotteries Foundation. During the year ended March 31, 1987, the Manitoba Lotteries Foundation distributed the net proceeds from bingo events in the amount of $157,289 (1986 - $118,368) to charitable arts organizations.

9. Comparative Figures

Comparative figures for the year ended March 31, 1986 have been restated where necessary to conform with the presentation adopted for March 31, 1987.

Manitoba

THE MANITOBA BEEF COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C, D, E and F, of The Manitoba Beef Commission for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

July 16, 1987,
Winnipeg, Manitoba.

EXHIBIT A

THE MANITOBA BEEF COMMISSION

Balance Sheet
as at March 31, 1987

ASSETS

	1987	1986
Current assets:		
Funds on deposit with the Minister of Finance and in bank	$ 3,857,190	$ (178,374)
Term deposit with the Minister of Finance	2,500,000	3,500,000
Accounts receivable:		
Packers and auction marts	927,707	1,181,636
Producers, less allowance for doubtful accounts (Note 3)	356,453	308,891
Inventory	52,754	25,396
	$ 7,694,104	$ 4,837,549

LIABILITIES AND FUND ACCOUNT BALANCES

	1987	1986
Current liabilities:		
Accounts payable:		
Producers	$ 1,940,499	$ 2,826,220
Government of the Province of Manitoba	47,312	123,919
Trade accounts	77,690	71,580
	2,065,501	3,021,719
Advance from the Government of the Province of Manitoba (Note 4)	33,500,000	29,000,000
	35,565,501	32,021,719
Fund account balances:		
Stabilization Fund Account (Deficit), Exhibit C	(28,031,230)	(27,249,149)
Administration Fund Account, Exhibit E	159,833	64,979
	(27,871,397)	(27,184,170)
	$ 7,694,104	$ 4,837,549

EXHIBIT B

THE MANITOBA BEEF COMMISSION

Producer Fund Account
Statement of Operations

	For the year ended March 31, 1987			For the year ended March 31, 1986		
	Finished Cattle	Unfinished Cattle	Total	Finished Cattle	Unfinished Cattle	Total
Revenue:						
Proceeds on sale of cattle	$ 64,216,366	$ 46,624,038	$ 110,840,404	$ 65,590,950	$ 42,492,022	$ 108,082,972
Packer, auction mart, insurance claims and miscellaneous	22,075	5,566	27,641	35,209	10,544	45,753
Live sale expenses from Administration Fund Account, Exhibit E	-	-	-	5,963	-	5,963
Net pool adjustments from Administration Fund Account, Exhibit E	2,163	(3)	2,160	(37)	(12)	(49)
Total revenue	$ 64,240,604	$ 46,629,601	$ 110,870,205	$ 65,632,085	$ 42,502,554	$ 108,134,639
Distribution:						
Assessments:						
Producer premiums, Exhibit C	$ 6,562,461	$ 3,123,479	$ 9,685,940	$ 6,590,192	$ 3,262,912	$ 9,853,104
Marketing fees, Exhibit E	324,938	-	324,938	331,738	-	331,738
	6,887,399	3,123,479	10,010,878	6,921,930	3,262,912	10,184,842
Direct charges:						
Assembly fees, etc.	56,216	976	57,192	62,480	-	62,480
Freight	16,290	119	16,409	7,697	186	7,883
Insurance	1,118	3,600	4,718	652	4,176	4,828
	73,624	4,695	78,319	70,829	4,362	75,191
Producer settlements	57,279,581	43,501,427	100,781,008	58,639,326	39,235,280	97,874,606
Total distribution	$ 64,240,604	$ 46,629,601	$ 110,870,205	$ 65,632,085	$ 42,502,554	$ 108,134,639

EXHIBIT C

THE MANITOBA BEEF COMMISSION

Stabilization Fund Account
Statement of Revenue and Expenditure and Deficit
for the year ended March 31, 1987

	1987	1986
Revenue:		
Producer premiums:		
Producer Fund Account, Exhibit B	$ 9,685,940	$ 9,853,104
Direct from producers	168,878	18,464
	9,854,818	9,871,568
Federal Agricultural Stabilization	–	709,378
Provincial premium contributions	2,042,370	1,988,445
Recovery of stabilization payments (Note 5)	588,764	289,368
Total revenue	$ 12,485,952	$ 12,858,759
Expenditure:		
Stabilization payments	$ 12,952,711	$ 24,256,029
Bad debt expense	315,322	99,167
Total expenditure	$ 13,268,033	$ 24,355,196
Excess of Expenditure over Revenue	782,081	11,496,437
Deficit, beginning of year	27,249,149	15,752,712
Deficit, end of year, Exhibit A	$ 28,031,230	$ 27,249,149

EXHIBIT D

THE MANITOBA BEEF COMMISSION

Productivity Enhancement Grant Fund Account
Statement of Operations
for the year ended March 31, 1987

	1987	1986
Recoveries of grants from producers	$ 214,930	$ 272,005
Less: Bad debt expense	160,096	99,132
	$ 54,834	$ 172,873
Distribution:		
Government of the Province of Manitoba	$ 54,834	$ 172,873

EXHIBIT E

THE MANITOBA BEEF COMMISSION

Administration Fund Account
Statement of Revenue and Expenditure and Fund Account Balance
for the year ended March 31, 1987

	1987	1986
Revenue:		
Grant - Government of the Province of Manitoba	$ 267,600	$ -
Interest	341,627	368,335
Marketing fees, Exhibit B	324,938	331,738
Producer penalty	28,207	-
Recovery of provincial premium contributions on cancellation of producers' contracts (Note 7)	103,865	55,075
Purchase trading, Exhibit F (Note 8)	36,612	-
Total revenue	$ 1,102,849	$ 755,148
Expenditure:		
Advertising and promotion	$ 9,216	$ 12,375
Audit	19,425	17,950
Bank charges	10,795	9,923
Computer services and equipment	205,703	215,575
Computer system review	-	37,500
Directors' fees and expenses	40,699	34,933
Delivery	8,192	8,420
Dues and subscriptions	435	464
Furniture and fixtures	2,826	1,357
Hall rentals	683	969
Health and post-secondary education tax levy	8,023	6,936
Fieldmen expenses	61,744	43,122
Live sale expenses to Producer Fund Account, Exhibit B	-	5,963
Miscellaneous	4,769	1,675
Net pool adjustments to Producer Fund Account, Exhibit B	2,160	(49)
Postage and telephone	28,719	14,750
Printing and stationery	27,781	27,175
Rentals	810	-
Repairs and maintenance	143	309
Salaries and employee benefits	559,417	482,704
Travel	16,454	12,158
Total expenditure	$ 1,007,994	$ 934,209
Excess of Revenue over Expenditure	94,855	(179,061)
Balance, beginning of year	64,979	244,040
Balance, end of year, Exhibit A	$ 159,834	$ 64,979

EXHIBIT F

THE MANITOBA BEEF COMMISSION

Statement of Purchase Trading Revenue and Expenditure for the year ended March 31, 1987

	1987
Revenue:	
Proceeds on sale of cattle	$ 471,900
Packer, insurance claims	700
Total revenue	472,600
Direct Expenditure:	
Cattle purchases	$ 413,231
Freight	15,344
Yardage, feed and commission	6,776
Insurance and grading	637
Total direct expenditure	435,988
Excess of revenue over direct expenditure, Exhibit E	$ 36,612

THE MANITOBA BEEF COMMISSION

Notes to Financial Statements
for the year ended March 31, 1987

1. Status of the Commission

The Manitoba Beef Commission was established on September 1, 1982 by regulation under the Natural Products Marketing Act, to administer regulations respecting the marketing of beef.

The Commission has administrative responsibility for the following:

a) The Manitoba Beef Marketing Plan was established September 1, 1982 by regulation under the Natural Products Marketing Act. The purpose of this Plan is to maximize the return to the producers in the marketing of beef.

b) The Manitoba Beef Stabilization Plan was established September 1, 1982 by regulation under the Farm Income Assurance Plans Act. The purpose of this Plan is to improve the income stability of participating beef producers. There was also support for a limited period through payment of a special Productivity Enhancement Grant to producers joining the Plan. In accordance with the regulations, separate accounts were established for these operations.

The Producer Fund Account was established on March 1, 1983 to account for the sales of finished and unfinished cattle marketed under the Manitoba Beef Marketing Plan.

The Stabilization Fund Account was established effective September 1, 1982 for operation of the Manitoba Beef Stabilization Plan. It accounts for the collection of premiums from producers enrolled in the Manitoba Beef Marketing Plan, and from the Province and the stabilization payments to producers.

The Productivity Enhancement Grant Fund Account was established to account for payment of a Productivity Enhancement Grant to each producer joining the Manitoba Beef Marketing Plan up to January 21, 1983.

The Administration Fund Account was established to account for the Commission's administrative, marketing and purchase trading operations.

2. Significant accounting policies

a) The financial statements have been prepared on an accrual basis of accounting except for capital acquisitions which are being charged to operations at cost in the year acquired.

b) The Commission maintains separate divisions in its accounts for the activities of the Producer Fund Account, Stabilization Fund Account, Productivity Enhancement Grant Fund Account and the Administration Fund Account. The assets and liabilities of all of the fund accounts are combined on the balance sheet.

2. Significant accounting policies (continued)

The Producer Fund Account and the Productivity Enhancement Grant Fund Account by their nature have nil balances at year end.

c) The Government of the Province of Manitoba pays interest charges on the advances to the Commission and provides office space, certain legal, administrative and field services. These expenses are not reflected in the financial statements.

3. Accounts receivable - producers

The accounts receivable from producers consists of:

	1987	1986
Stabilization payments recoverable	$ 520,395	$ 259,519
Productivity enhancement grants	367,917	299,096
Premiums	153,793	5,989
Other	22,655	3,611
	1,064,760	568,215
Less: Allowance for doubtful accounts	708,307	259,324
	$ 356,453	$ 308,891

4. Advance from the Government of the Province of Manitoba

The Government of the Province of Manitoba authorized repayable advances to the Commission of up to $41,600,000 for the purpose of funding the deficit of the Stabilization Fund Account when revenues are not sufficient to pay the producers' stabilization payments under the Manitoba Beef Stabilization Plan. At March 31, 1987 the amount advanced to the Commission was $33,500,000 (1986 - $29,000,000), of which the Commission had drawn $28,554,515 (1986 - $27,028,259) with the balance of $4,945,485 (1986 - $1,971,741) maintained on deposit with the Minister of Finance in a trust account.

Interest charged on the advances by the Department of Finance is paid from an appropriation of the Department of Agriculture in the amount of $3,330,739 in 1987 (1986 - $2,451,852).

5. Termination of contract

A producer may terminate his contract with the Commission at any time. Depending upon the balance of the individual producer account, represented by the producer premiums and stabilization payments, termination by a producer before eight full years will result in a partial return of premiums paid or a partial recovery of stabilization deficiency payments.

6. Productivity Enhancement Grant Fund Account

The Productivity Enhancement Grant Fund Account was established to account for special grants to producers joining the Manitoba Beef Marketing Plan from inception to January 21, 1983.

The grants are not fully earned by the producers until they have completed four years of enrollment in the Plan. Any recoveries from producers terminating their contracts before the grants are fully earned are repayable to the Province.

7. Recovery of provincial premium contributions

The provincial premium contribution portion of the stabilization payments recovered from producers is transferred to the Administration Fund Account. For the year ended March 31, 1987 the recovery of the provincial premium contributions transferred to the Administration Fund Account was $103,865 (1986 - $55,075), which represented a recoverable amount of $182,486 (1986 - $85,616) less bad debt expense of $78,621 (1986 - $30,541).

8. Purchase trading

During the year ended March 31, 1987, the Commission purchased cattle from its clients and subsequently sold these animals out of the Province. Direct expenditures on these transactions have been reflected in the Statement of Purchase Trading Revenue and Expenditure. Indirect expenditures related to this program are included in Exhibit E.

9. Economic dependence

The Commission is economically dependent on the Government of the Province of Manitoba.

FOREST GUENETTE CHAPUT COMPTABLES AGRÉÉS
CHARTERED ACCOUNTANTS

262, Marion, Winnipeg, Manitoba, Canada R2H 0T7 (204) 233-8593

Auditors' Report

To the Board of Commissionners
THE MANITOBA BOXING AND WRESTLING COMMISSION
Winnipeg, Manitoba

We have examined the balance sheet of MANITOBA BOXING AND WRESTLING COMMISSION as at March 31, 1987 and the statements of surplus and income for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1987 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Forest Guenette Chaput

Winnipeg, Manitoba
September 10, 1987

Chartered Accountants

Statement "1"

MANITOBA BOXING AND WRESTLING COMMISSION

Balance Sheet

As At March 31, 1987

	1987	1986
ASSETS		
Current Assets		
Cash on hand	$ 13	10
Cash in bank - chequing	2,837	5,915
- savings	7,333	7,627
- term deposits (Note "1")	84,591	88,194
Accounts receivable	1,182	1,661
Accrued interest receivable	322	1,263
Prepaid expenses	225	225
	$ 96,503	104,895
LIABILITIES AND SURPLUS		
Current Liabilities		
Accounts payable	$ 2,788	2,547
Performance bond deposits (Note "2")	7,333	7,958
	10,121	10,505
Surplus, Statement "2"	86,382	94,390
	$ 96,503	104,895

Approved on behalf of the Board:

Chairman

Treasurer

MANITOBA BOXING AND WRESTLING COMMISSION

Statement of Surplus

Year Ended March 31, 1987

	1987	1986
Balance, beginning of year	$ 94,390	93,255
Add: Net income, Statement "3"	-	1,135
Deduct: Net loss, Statement "3"	(8,008)	-
Balance, end of year	$ 86,382	94,390

Statement "3"

MANITOBA BOXING AND WRESTLING COMMISSION

Statement of Income

Year Ended March 31, 1987

	1987	1986
Revenue		
Commissions, licenses, permits and passports	$ 15,917	16,696
Interest income	6,956	8,012
Other income	1,000	38
	23,873	24,746
Operating Expenses		
Grants and donations	10,942	750
Secretarial services	9,062	8,350
Honoraria	4,400	4,200
Conferences and meetings	2,981	5,657
Audit and accounting	1,475	1,792
Office improvements	1,155	-
Dues, fees and subscriptions	684	890
Public relations (tickets for events and social functions)	400	400
Supplies	391	652
Bank charges	204	104
Office expenses	187	331
Legal fees	-	485
	31,881	23,611
Net income (loss) for the year	$ (8,008)	1,135

MANITOBA BOXING AND WRESTLING COMMISSION

Notes to Financial Statements

As At March 31, 1987

Note "1" Term Deposits

(a)	Institution: First City Trust Amount: Term: March 13 to April 13, 1987 Rate of Interest: 6½%	$ 34,331
(b)	Institution: North West Trust Amount: Term: March 9 to April 9, 1987 Rate of Interest: 6½%	50,260
		$ 84,591

Note "2" Performance Bond Deposits

Performance bonds are deposited in an interest-bearing savings account. Interest earned is remitted to the promoter upon refund of the deposit.

Note "3" Comparative Figures

Certain of the prior year's figures have been reclassified to conform with the current year's presentation.

Manitoba

THE MANITOBA CENTENNIAL CENTRE CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B and C and Schedules 1 to 5, of The Manitoba Centennial Centre Corporation for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Centennial Centre Corporation as at March 31, 1987 and the results of its operations and the changes in its cash position for the year then ended in accordance with the accounting policies stated in note 3 to the financial statements applied on a basis consistent with that of the preceding year.

As a matter of additional information, the properties used for the purposes of the Corporation are made available at no charge by the Province of Manitoba.

J. W. Singleton, CA,
Assistant Provincial Auditor.

October 30, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Balance Sheet

as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

	1987	1986
Cash on hand and in bank	$ 45,352	$ 68,166
Term deposits - Province of Manitoba (Note 4)	511,219	326,458
Accounts receivable	78,440	77,257
Balance of operating grant, Province of Manitoba	-	113,666
Balance of capital grant, Province of Manitoba, Schedule 5	-	40,469
Inventory of bar supplies, at cost	23,305	23,986
Prepaid expenses	25,228	19,838
	$ 683,544	$ 669,840

LIABILITIES

	1987	1986
Accounts payable	$ 183,463	$ 223,434
Accrued wages	50,917	48,481
Deferred income	841	1,049
Deposits on rentals	7,080	18,905
	242,301	291,869
Trust accounts:		
The Maitland Steinkopf Youth Fund, Schedule 2	58,931	58,290
The Manitoba Centennial Citizens' Campaign, Schedule 3	16,450	14,929
The Manitoba Centennial Foundation of the Future, Schedule 4 (Note 5)	15,172	13,795
	90,553	87,014
Reserve for Deductible Costs on Insurance Claims, (Note 6)	15,000	15,000
Funds Retained for Working Capital and Future Operations, Exhibit B	335,690	275,957
	$ 683,544	$ 669,840

Exhibit B

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Revenues and Expenditures and Retained Funds

for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenues:		
Rentals:		
Concert Hall	$ 356,391	$ 338,889
Office space	38,105	37,820
Restaurant facilities	60,069	56,302
Bar sales	184,328	177,323
Parking fees	341,467	334,461
Checkroom fees	9,033	9,150
Concession revenue	13,556	9,973
Investment income	23,965	18,170
Miscellaneous income	326	563
	1,027,240	982,651
Province of Manitoba grant	1,276,900	1,201,900
Recovery of expenditures:		
Museum of Man and Nature (Note 7)	837,900	807,975
Others	83,864	87,853
	921,764	895,828
Total revenues, grants and recoveries	3,225,904	3,080,379
Expenditures, Schedule 1:		
Administration and general	392,170	376,805
Bar operations	119,362	127,483
Concert Hall front of house (Note 8)	126,298	124,494
Building services and maintenance	1,778,387	1,741,994
Parking service	175,177	170,084
Security service	362,616	350,592
Stage operations	211,575	208,494
	3,165,585	3,099,946
Net capital projects, Schedule 5 (Note 3)	586	(5,158)
Total expenditures	3,166,171	3,094,788
Revenues over (under) expenditures for the fiscal year	59,733	(14,409)
Funds Retained for Working Capital and Future Operations, beginning of year	275,957	290,366
Funds Retained for Working Capital and Future Operations, end of year, Exhibit A	$ 335,690	$ 275,957

Exhibit C

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Changes in Cash Position

for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Operations:		
Revenues over (under) expenditures for the fiscal year	$ 59,733	$ (14,409)
Change in operating net assets	98,675	(87,844)
Cash provided (used) by operations	158,408	(102,253)
Trust accounts activities:		
The Maitland Steinkopf Youth Fund	641	(743)
The Manitoba Centennial Citizens' Campaign	1,521	7,726
The Manitoba Centennial Foundation for the Future	1,377	1,580
Increase in cash restricted to use in trust activities	3,539	8,563
Increase (decrease) in cash and term deposits	161,947	(93,690)
Cash and term deposits, beginning of year	394,624	488,314
Cash and term deposits, end of year	$ 556,571	$ 394,624
Represented by:		
Cash on hand and in bank	$ 45,352	$ 68,166
Term deposits	511,219	326,458
	$ 556,571	$ 394,624

Schedule 1

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Schedule of Expenditures

for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Administration and general:		
Salaries and employee benefits	$ 294,884	$ 287,544
Insurance	29,902	20,303
Telephone	15,265	14,778
Printing and stationery	5,482	6,123
Audit and legal fees	6,700	8,680
Other	11,360	11,641
Health and Post Secondary Education tax levy	28,577	27,736
	392,170	376,805
Bar operations:		
Salaries and employee benefits	44,071	45,008
Cost of beverages sold	69,983	71,677
Other	5,308	10,798
	119,362	127,483
Concert Hall front of house (Note 8):		
Salaries and employee benefits	90,712	88,203
Transportation allowances and other	35,586	36,291
	126,298	124,494
Building services and maintenance:		
Salaries and employee benefits	1,006,650	975,825
Light, power and water	294,886	289,524
Heat	237,853	270,091
Repairs, maintenance and supplies	147,643	132,600
Minor capital expenditures	29,840	22,768
Other	61,515	51,186
	1,778,387	1,741,994
Parking services:		
Salaries and employee benefits	79,344	74,929
Agency fees and expenditures	90,662	88,730
Other	5,171	6,425
	175,177	170,084
Security services:		
Salaries and employee benefits	355,011	345,202
Other	7,605	5,390
	362,616	350,592
Stage operations:		
Salaries and employee benefits	186,318	182,475
Repairs, supplies and equipment	25,257	26,019
	211,575	208,494
Total expenditures, Exhibit B	$ 3,165,585	$ 3,099,946

Schedule 2

THE MANITOBA CENTENNIAL CENTRE CORPORATION

The Maitland Steinkopf Youth Fund Trust Account

Summary of Transactions
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenues:		
Investment income	$ 4,992	$ 5,454
Expenditures:		
Canadian Music Competitions	-	1,210
Greater Winnipeg Schools' Orchestras	1,155	1,617
Red River Exhibition International Band Committee	660	-
The Men's Music Club	1,596	1,890
Ukrainian Self-Reliance League	-	660
Winnipeg Area Girl Guides of Canada	940	820
	4,351	6,197
Revenues over (under) expenditures for the fiscal year	641	(743)
Balance, beginning of year	58,290	59,033
Balance, end of year, Exhibit A	$ 58,931	$ 58,290
Represented by:		
Amount in term deposit	$ 60,527	$ 60,180
Less - Amount payable	1,596	1,890
	$ 58,931	$ 58,290

Schedule 3

THE MANITOBA CENTENNIAL CENTRE CORPORATION

The Manitoba Centennial Citizens' Campaign Trust Account

Summary of Transactions
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenues:		
Collections on pledges:		
Campaign '70	$ 750	$ -
Sale of property	-	7,115
Investment income	1,289	1,101
	2,039	8,216
Expenditures:		
Administration costs	518	490
Revenues over expenditures for the fiscal year	1,521	7,726
Balance, beginning of year	14,929	7,203
Balance, end of year, Exhibit A	$ 16,450	$ 14,929
Represented by:		
Cash in bank	$ (314)	$ 119
Amount in term deposits	16,764	14,810
	$ 16,450	$ 14,929

Schedule 4

THE MANITOBA CENTENNIAL CENTRE CORPORATION

The Manitoba Centennial Foundation of the Future Trust Account

Summary of Transactions
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenues:		
Investment income	$ 1,377	$ 1,580
Balance, beginning of year	13,795	12,215
Balance, end of year, Exhibit A (Note 5)	$ 15,172	$ 13,795
Represented by:		
Amount in term deposit	$ 15,172	$ 13,795

Schedule 5

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Capital Projects

for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Capital projects:		
Box office construction	$ 13,472	$ -
Carpet replacement - Concert Hall	-	13,731
Courtyard electrical	13,889	-
Front driveway repairs	8,300	-
Intercom console	3,763	-
Lighting control replacement	-	18,116
Manitoba Theatre Centre - roof repairs	-	64,800
Museum renovations	-	9,143
Parkade and Rupert entrances	8,307	-
"Power Factor" correction project	-	17,595
Revision in heating systems	-	12,747
Roof repairs	78,778	6,902
Stage air handling system	7,600	-
Stage drapery	-	8,323
Stage floor	66,477	-
Stage lighting bridges	-	22,421
Wheelchair lift	-	18,064
Total capital projects	200,586	191,842
Less:		
Capital grants - Province of Manitoba:		
Received during the year	200,000	156,531
Recoverable, Exhibit A	-	40,469
Total capital grants	200,000	197,000
Net capital projects, Exhibit B (Note 3)	$ 586	$ (5,158)

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements
March 31, 1987

1. Nature of the Corporation's Operations

The Centennial Centre Corporation was established in 1968 for the development and management of the permanent arts centre in the City of Winnipeg as the principal memorial in the Province to the centennial anniversaries of the Confederation of Canada and the inclusion of Manitoba as a Province. Its aims and objectives are to maintain and enhance the properties and facilities available to organizations and individuals involved in various elements of the visual and performing arts.

2. Properties of the Centre

The accounts of the Corporation do not reflect the cost or values of the properties acquired by the Crown for the Centre. However, the buildings and contents are valued for insurance purposes at $51,900,000. The value of land associated with the various buildings and surface properties would be added to determine total property values for the arts centre.

3. Accounting Policies

The Corporation's financial statements have been prepared using the accrual basis of accounting except for capital acquisitions and pension payments.

Capital projects and other major expenditures are recognized as operating expenditures in the current year except to the extent of funding by capital grants from the Province of Manitoba as reflected separately on Schedule 5.

Pension payments are recognized as operating expenditures only as payments are made under provisions of The Manitoba Civil Service Superannuation Act. The provisions of this Act require the Corporation to contribute 50% of the pension payments being made to retired employees. A provision has not been made in the accounts of the Corporation to fund current or past service obligations to the Civil Service Superannuation Fund. An actuarial report as at December 31, 1983 made a calculation which provided no allowance for future increases in pension due to increases in the cost of living. Based on a formula set out in the report, the figure at December 31, 1986 amounts to $1,180,200 (1985 - $1,020,400).

The actuary also reported on the value of these liabilities based on a calculation which made an allowance for future increases in pension due to increases in the cost of living. The actuary's formula projects this figure to $1,717,200 as at December 31, 1986 (1985 - $1,476,600).

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements
March 31, 1987

4. Funds invested with the Province of Manitoba in term deposits as at March 31, 1987, including accrued interest, are as follows:

	Term Deposits	Accrued Interest	Total
Certificates maturing in 90 days			
Operating Funds	$ 415,000	$ 3,756	$ 418,756
Maitland Steinkopf Youth Fund	59,747	780	60,527
Manitoba Centennial Citizens' Campaign	16,629	135	16,764
Five Year Certificate maturing December 31, 1990			
Manitoba Centennial Foundation of the Future	14,816	356	15,172
Total	$ 506,192	$ 5,027	$ 511,219

5. In 1969, the Manitoba Centennial Corporation established the "Foundation of the Future". The Board of Directors of the Foundation is to be composed of children born on six special dates in 1970, Manitoba's centennial year. The terms of the Foundation's establishment provide that the Board of Directors is to meet on July 15 in the year 2000 when the use of the fund is to be determined. The amount of original trust was established at $3,050. Based on five year deposit rates with the Province, the trust has increased to $15,172 at March 31, 1987.

6. The insurance program of the Corporation contains a deductible clause requiring the Corporation to pay the first $5,000 on any one claim with a maximum of $15,000 in any one year. The Corporation has set aside a reserve of $15,000 and, as long as the conditions of the insurance coverage are unchanged, it will be maintained at this level.

7. Operating and maintenance costs include the provision of service to the Centennial Centre as a whole including the Museum of Man and Nature and other organizations located within the Centre. Annual payments from the Museum of Man and Nature for operating costs are set by the Province. The amount set for 1986/87 was $837,900 (1985/86 - $807,975) and the estimated cost of services provided was $1,022,900 (1985/86 - $997,000).

8. Expenditures designated as "Concert Hall front of house" consist of checkroom, usherette and doorman services.

Manitoba

THE MANITOBA CROP INSURANCE CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Manitoba Crop Insurance Corporation for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Corporation as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

June 12, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA CROP INSURANCE CORPORATION

Balance Sheet
As at March 31, 1987

ASSETS

	1987	1986
Cash on deposit with the Minister of Finance and in bank	$ 3,516,933	$ 3,059,891
Premiums receivable, net of allowance for doubtful accounts of $709,995, (1986 - $365,837):		
Due from insured persons	3,308,610	2,822,071
Accrued interest	198,584	176,262
	3,507,194	2,998,333
Amount receivable from Reinsurance Fund of Manitoba (Note 3)	3,464,010	3,680,885
Accounts receivable - Government of the Province of Manitoba	20,932	22
Accounts receivable - other	2,205	3,289
Prepaid expenses	18,616	25,247
	$ 10,529,890	$ 9,767,667

LIABILITIES AND RESERVES

	1987	1986
Reinsurance premiums payable (Note 3):		
Government of Canada	$ 736,868	$ 452,442
Government of the Province of Manitoba	736,868	452,442
	1,473,736	904,884
Amount payable to Reinsurance Fund of Manitoba (Note 4)	4,000,000	4,000,000
Advance from the Government of the Province of Manitoba (Note 5)	2,000,000	-
Loan from the Government of the Province of Manitoba (Note 6)	-	660,000
Indemnities payable	875,372	2,727,697
Other account and program payables (Note 7)	124,118	209,904
Premiums collected in advance	230,351	441,368
Reserves for the Payment of Indemnities:		
General Crop Insurance, Exhibit B	-	-
Hail Insurance, Exhibit C	1,826,313	823,814
	1,826,313	823,814
	$ 10,529,890	$ 9,767,667

Exhibit B

THE MANITOBA CROP INSURANCE CORPORATION

General Crop Insurance
Statement of Revenue, Expenditure and Reserve for the Payment of Indemnities
for the year ended March 31, 1987

	1987	1986
Revenue:		
Premiums:		
Insured persons	$ 23,861,352	$ 22,368,878
Government of Canada (Note 2(B))	23,094,597	21,390,110
	46,955,949	43,758,988
Filing fee	5,175	3,620
Administrative expenses recovered from the Government of the Province of Manitoba, Schedule 1 (Note 2(C))	4,322,833	4,202,662
Interest	306,102	274,157
Total revenue	51,590,059	48,239,427
Expenditure:		
Administrative expenses, Schedule 1 (Note 2(C))	4,322,833	4,202,662
Reinsurance premiums (Note 3):		
Government of Canada	6,928,379	6,417,033
Government of the Province of Manitoba	6,928,379	6,417,033
Discounts	28,082	8,405
Indemnities	36,575,875	38,949,344
Bad debts	270,521	65,303
Total expenditure	55,054,069	56,059,780
Revenue under expenditure	3,464,010	7,820,353
Reserve for the Payment of Indemnities:		
Beginning of year	-	-
Recovered from Reinsurance Fund of Manitoba, (Note 3)	3,464,010	7,820,353
End of year, Exhibit A	$ -	$ -

Exhibit C

THE MANITOBA CROP INSURANCE CORPORATION

Hail Insurance
Statement of Revenue, Expenditure and Reserve for the Payment of Indemnities
for the year ended March 31, 1987

	1987	1986
Revenue:		
Premiums charged to insured persons at established rates	$ 8,255,606	$ 8,125,391
Interest	303,420	341,402
Total revenue	8,559,026	8,466,793
Expenditure:		
Administrative expenses, Schedule 2 (Note 2(C))	892,368	880,911
Indemnities	6,535,684	3,696,891
Bad debts	128,475	49,143
Total expenditure	7,556,527	4,626,945
Revenue over expenditure	1,002,499	3,839,848
Reserve for the Payment of Indemnities (Deficit):		
Beginning of year	823,814	(3,016,034)
End of year, Exhibit A	$ 1,826,313	$ 823,814

THE MANITOBA CROP INSURANCE CORPORATION

General Crop Insurance
Statement of Administrative Expenses
for the year ended March 31, 1987

	1987	1986
Adjusters' wages and expenses	$ 1,335,319	$ 1,191,423
Administration and field in-service training	19,109	13,734
Advertising	47,247	30,739
Appeal tribunal	8,184	148
Audit fee	21,493	19,496
Computer equipment, rental and usage	167,301	399,327
Directors' remuneration and expenses	18,068	15,947
District offices' rentals and miscellaneous	47,139	37,953
Employee benefits	145,615	133,678
Employer share of pensions (Note 2(D))	60,560	64,711
Furniture and equipment purchases (Note 2(E))	56,902	51,525
Health and Post Secondary Education Tax Levy	42,989	39,436
Legal fees	17,250	13,034
Miscellaneous	19,353	31,322
Office equipment rentals	10,741	9,135
Postage	32,365	27,563
Printing, stationery and office supplies	106,736	96,536
Salaries	1,975,318	1,845,392
Special studies	551	1,403
Telephone	44,887	41,213
Travel	119,288	119,482
Workers' compensation	26,418	19,465
Total administrative expenses, Exhibit B	$ 4,322,833	$ 4,202,662

Schedule 2

THE MANITOBA CROP INSURANCE CORPORATION

Hail Insurance
Statement of Administrative Expenses
for the year ended March 31, 1987

	1987	1986
Adjusters' wages and expenses	$ 175,707	$ 138,509
Administration and field in-service training	4,777	3,346
Advertising	11,116	12,423
Appeal Tribunal	1,136	37
Audit fee	2,261	2,455
Computer equipment, rental and usage	41,825	99,832
Directors' remuneration and expenses	5,426	3,987
District offices' rentals and miscellaneous	11,175	9,636
Employee benefits	36,403	33,419
Employer share of pensions (Note 2(D))	15,140	16,178
Furniture and equipment purchases (Note 2(E))	6,004	4,251
Health and Post Secondary Education Tax Levy	10,747	9,859
Legal fees	3,732	3,259
Miscellaneous	4,838	7,918
Office equipment rentals	2,685	2,284
Postage	8,091	6,891
Printing, stationery and office supplies	24,179	20,579
Salaries	479,070	461,348
Special studies	551	-
Telephone	11,222	10,303
Travel	29,678	29,531
Workers' compensation	6,605	4,866
Total administrative expenses, Exhibit C	$ 892,368	$ 880,911

THE MANITOBA CROP INSURANCE CORPORATION

Notes to Financial Statements
March 31, 1987

1. Authority

The Manitoba Crop Insurance Corporation is incorporated under a specific Statute of the Province of Manitoba, being Chapter C-310 of the Revised Statutes of Manitoba, 1970.

2. Significant Accounting Policies

(A) Programs

The Corporation operates general crop and hail insurance programs for Manitoba farmers and accounts for these programs separately.

The Corporation is also responsible for the administration of various agricultural-related programs on behalf of the Government of the Province of Manitoba and the Government of Canada. The funds received to administer these programs are netted against expenditures. The operations of these programs are disclosed in the notes to the financial statements.

(B) Premiums

The Corporation recognizes as revenue all premiums earned on crop policies in force during the year. An agreement between the Governments of the Province of Manitoba and Canada provides for the matching by Canada on a cash basis, of insurance premiums collected from insured persons under the General Crop Insurance Program. The matching portion from Canada is shown as revenue. The insurance premium rates are adjusted annually on a basis of a breakeven position being maintained over 10 to 25 years of crop loss experience.

(C) Administrative Expenses

The agreement between the Governments of the Province of Manitoba and Canada, referred to in section (B) of this note, also stipulates that all administrative expenses relating to the General Crop Insurance Progam will be met by the Government of the Province of Manitoba. Certain of these costs are common to both the General Crop Insurance Program and the Hail Insurance Program and are allocated on a basis approved by the Corporation's Board of Directors. Administrative expenses relating to the Hail Insurance Program are met by insured farmers. The Corporation's head office and certain of its field office accommodations are provided by the Government of the Province of Manitoba at no charge to the Corporation and accordingly, are not reflected in these financial statements.

(D) Pensions

In accordance with the provisions of The Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded provision for the Corporation's employees amounted to $1,566,155 as at December 31, 1986 ($1,397,406 as at December 31, 1985).

(E) Fixed Assets

Furniture and equipment purchases are charged to operations in the year of acquisition.

3. Reinsurance Funds - General Crop Insurance

In accordance with the terms of a reinsurance agreement between the Governments of the Province of Manitoba and Canada and the Corporation, the Corporation is liable for reinsurance premiums to the Crop Reinsurance Fund of Manitoba and the Crop Reinsurance Fund of Canada for Manitoba, based on premiums collected plus the matching portion paid by the Government of Canada. When indemnities are in excess of Corporation's reserve and certain other conditions are met, payments are made from the Reinsurance Funds to the Corporation. Deficits in the Reinsurance Funds are funded by advances from Manitoba and Canada, which are repayable when there is a surplus in the Reserve for the Payment of Indemnities. During the year ended March 31, 1987, there were $1,374,319 in such advances made to the Reinsurance Fund of Manitoba from the Government of the Province of Manitoba. As at March 31, 1987, there were $5,374,319 (1986 - $4,000,000) in advances to the Reinsurance Fund of Manitoba outstanding from the Government of the Province of Manitoba. Interest is neither credited nor charged to the Funds by Manitoba or Canada.

The changes in the Crop Reinsurance Funds, on a cash basis, for the fiscal year ended March 31, 1987 were as follows:

	Reinsurance Funds	
	Manitoba	Canada for Manitoba
Balances, March 31, 1986	$ 1,854,124	$ 24,169,898
Add:		
Reinsurance premiums	6,643,953	6,643,953
Advances from the Government of the Province of Manitoba	1,374,319	-
	9,872,396	30,813,851
Deduct:		
Payments on account of indemnities	3,680,885	-
Balances, March 31, 1987	$ 6,191,511	$ 30,813,851

When taking into account the reinsurance premiums payable to and the amounts receivable from the Crop Reinsurance Funds, as shown on the balance sheet, the position of the two Funds on an accrued basis as at March 31, 1987, is a balance of $3,464,369 for Manitoba and a balance of $31,550,719 for Canada for Manitoba.

4. Amount Payable to Reinsurance Fund of Manitoba

The Corporation is liable for the repayment, without interest, of advances from the Crop Reinsurance Fund of Manitoba.

5. Advance from the Government of the Province of Manitoba

When necessary, there is a provision for the Corporation to receive, under the General Crop Insurance Program, interest free working capital advances of up to $2 million.

6. Loan from the Government of the Province of Manitoba

When necessary, there is a provision for the Corporation to receive, under the Hail Insurance Program, interest free loans to be used for the payment of indemnities.

7. Other Programs

A. The Corporation administers the Canada-Manitoba Waterfowl Crop Damage Compensation Program. This program is cost shared between Canada and Manitoba (50/50) and Canada's share of the expenditures is remitted directly to the Province. For the fiscal year ended March 31, 1987, the related transactions are as follows:

Receipts:	
Expenditures recovered from the Government of the Province of Manitoba	$ 1,023,754
Expenditures:	
Indemnities paid	934,913
Estimated indemnities to be paid	32,000
Administrative expenses	56,841
	1,023,754
Balance, March 31, 1987	$ -

The estimated indemnities to be paid of $32,000 are reflected in the financial statements under other account and program payables.

B. The Corporation also administers section 89(E) of The Wildlife Act as it applies to compensation for damage to crops caused by migratory waterfowl. Compensation payments are paid entirely by Manitoba. For the fiscal year ended March 31, 1987, the related transactions are as follows:

Receipts:	
Expenditures recovered from the Government of the Province of Manitoba	$ 26,145
Expenditures:	
Indemnities paid	26,145
Balance, March 31, 1987	$ -

8. Comparative Figures

Comparative figures for the year ended March 31, 1986 have been restated, where necessary, to conform with the presentation adopted for the year ended March 31, 1987.

Manitoba

MANITOBA DATA SERVICES

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the statement of financial position of Manitoba Data Services as at March 31, 1987 and the statements of operations, retained earnings and changes in cash resources for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Manitoba Data Services as at March 31, 1987 and the results of its operations and the changes in its cash resources for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

September 9, 1987,
Winnipeg, Manitoba.

MANITOBA DATA SERVICES

STATEMENT OF OPERATIONS

Year ended March 31 in thousands of dollars	1987	1986
REVENUES		
Data processing	$23 936	$18 170
Interest income	591	641
Miscellaneous (Note 3)	287	418
	24 814	19 229
EXPENSES		
Salaries and administration	9 680	9 008
Computer equipment and software -- rental and maintenance	5 562	6 261
Depreciation and amortization	3 783	1 459
Pension and vested sick leave (Note 4)	853	763
Interest		
- Government of the Province of Manitoba (Note 5)	375	645
- Capital equipment leases	721	46
Loss (Gain) on disposal of computer equipment	(14)	(6)
	20 960	18 176
NET EARNINGS	$ 3 854	$ 1 053

The accompanying notes are an integral part of these statements

MANITOBA DATA SERVICES

STATEMENT OF FINANCIAL POSITION

ASSETS

At March 31 in thousands of dollars	1987	1986
CURRENT ASSETS		
Cash	$ 340	$ 64
Accounts receivable	4 245	4 382
Undesignated short-term deposits with the Minister of Finance, Government of the Province of Manitoba, at cost	2 546	565
Prepaid expenses	91	60
	7 222	5 071
FIXED ASSETS (Note 6)	13 104	10 317
OTHER ASSETS		
Proprietary software	2 797	1 680
Less accumulated amortization	1 299	950
	1 498	730
Long-term accounts receivable (Note 8)	33	213
Short-term deposits with the Minister of Finance, Government of the Province of Manitoba, at cost, designated to fund pension liability (Note 4)	4 454	3 735
	5 985	4 678
	$26 311	$20 066

The accompanying notes are an integral part of these statements

Approved on behalf of the Board

September 21, 1987

Chairperson

Member

MANITOBA DATA SERVICES

STATEMENT OF FINANCIAL POSITION

LIABILITIES AND RETAINED EARNINGS

At March 31 in thousands of dollars	1987	1986
CURRENT LIABILITIES		
Accounts payable	$ 705	$ 1 010
Principal due within one year on advance from the Government of the Province of Manitoba . .	29	1 493
Principal due within one year on capital equipment leases	1 691	1 009
	2 425	3 512
LONG-TERM LIABILITIES		
Pension and vested sick leave (Note 4)	4 940	4 136
Advance from the Government of the Province of Manitoba (Note 5)	1 633	3 602
Capital equipment leases (Note 7)	6 687	7 132
Health-care initiative program equipment (Note 9).	5 088	--
	18 348	14 870
RETAINED EARNINGS	5 538	1 684
	$26 311	$20 066

STATEMENT OF RETAINED EARNINGS

Year ended March 31 in thousands of dollars	1987	1986
RETAINED EARNINGS -- BEGINNING OF YEAR	$ 1 684	$ 631
NET EARNINGS	3 854	1 053
RETAINED EARNINGS -- END OF YEAR	$ 5 538	$ 1 684

The accompanying notes are an integral part of these statements

MANITOBA DATA SERVICES

STATEMENT OF CHANGES IN CASH RESOURCES

Year ended March 31 in thousands of dollars	1987	1986
OPERATIONS		
Receipts		
Data processing and miscellaneous	$24 550	$18 281
Interest income	581	649
Disbursements		
Salaries and administration, computer equipment and software	(15 457)	(14 805)
Interest	(1 083)	(691)
Cash provided by operations	8 591	3 434
FINANCING		
Health-care initiative program equipment (Note 9)	5 088	--
Capital leases - Acquisition	1 328	8 168
- Repayment	(1 226)	(38)
Repayment of advance to the Government of the Province of Manitoba	(3 432)	(1 356)
Payments charged to pension and vested sick leave liability	(49)	(34)
	1 709	6 740
Cash available for investment	10 300	10 174
INVESTMENT		
Fixed asset acquisitions	6 229	9 150
Proceeds from disposal of equipment	(22)	(6)
Proprietary software	1 117	510
Short-term deposits designated to fund pension liability	719	637
	8 043	10 291
INCREASE (DECREASE) IN CASH AND UNDESIGNATED SHORT-TERM DEPOSITS	2 257	(117)
CASH AND UNDESIGNATED SHORT-TERM DEPOSITS -- BEGINNING OF YEAR	629	746
CASH AND UNDESIGNATED SHORT-TERM DEPOSITS -- END OF YEAR	$ 2 886	$ 629

The accompanying notes are an integral part of these statements

MANITOBA DATA SERVICES
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1987

1. ORGANIZATION

Manitoba Data Services is a Commission without share capital, established by an Act of the Manitoba Legislature June 15, 1979 to provide electronic data processing services to the Government of the Province of Manitoba and government agencies.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Reporting

The financial statements have been prepared in accordance with generally accepted accounting principles.

(b) Revenue Recognition

Revenue is recorded as services are provided.

(c) Fixed Assets

Fixed assets are initially recorded at cost and include certain leases, which in substance are purchases, capitalized at the lesser of fair value and the present value of the net minimum lease payments.

Depreciation and amortization of owned and leased assets are provided on a straight-line basis to amortize the cost over their estimated useful lives.

	YEARS
Computer equipment	3 to 4
Furniture and fixtures	5 to 10
Leasehold improvements and proprietary software	3 to 5

(d) Pension Plan and Vested Sick Leave

Pension and vested sick leave costs (Note 4) are accrued and charged to income in the year to which they relate. Payments upon employee retirement or termination are charged to the pension and vested sick leave liability. Actuarial gains and losses on the pension liability, as determined by a triennial actuarial review, are amortized and charged to income over a three-year period.

MANITOBA DATA SERVICES
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1987

3. MISCELLANEOUS REVENUE

(Thousands of dollars)

Miscellaneous revenue includes	1987	1986
Equipment rentals	$105	$173
Program maintenance	81	92
Client education	53	48
Disaster recovery services	--	48
Provincial network	42	33
Other	6	24
	$287	$418

4. PENSION AND VESTED SICK LEAVE

(a) Pension

All employees of the Commission are required to contribute to the Manitoba Civil Service Superannuation Fund at prescribed rates for defined benefits. The December 31, 1983 triennial actuarial report showed the Fund to be in a sound surplus position. The December 31, 1986 actuarial report is anticipated to be available for reference in the next annual report.

The Commission is required to reimburse the Superannuation Fund for 50 percent of payments made to retired employees. The actuarial present value of this obligation determined in accordance with the formula contained in the triennial actuarial report, including provision for increases in pensions due to increases in the cost of living, at March 31, 1987 is $4 454 000 (1986: $3 735 000).

A portion of the funds on deposit with the Minister of Finance, Government of the Province of Manitoba has been designated by the Commission in an amount sufficient to fully fund the pension liability. Interest earned on these designated funds is included in interest income.

(b) Sick Leave Vesting

A portion of each employee's unused annual sick leave allowance is vested payable on termination of employment. The vested amount as at March 31, 1987 is $486 000 (1986: $401 000).

5. ADVANCE FROM THE GOVERNMENT OF THE PROVINCE OF MANITOBA

Principal and interest at 10% repayable $1 796 128 per annum through 1989.

	(Thousands of dollars)	
	1987	1986
BALANCE -- BEGINNING OF YEAR . . .	$3 602	$5 095
Prepayment of principal	1 940	--
	1 662	5 095
Principal due within one year . .	29	1 493
BALANCE -- END OF YEAR	$1 633	$3 602
INTEREST EXPENSE	$ 375	$ 645

6. FIXED ASSETS

	(Thousands of dollars)			
	1987			1986
	Cost	Accumulated Depreciation and Amortization	Net	Net
Computer equipment				
Owned	$10 836	$5 776	$ 5 060	$ 1 426
Capital lease	9 496	2 366	7 130	8 126
Furniture and fixtures	817	377	440	435
Leasehold improvements	794	320	474	330
	$21 943	$8 839	$13 104	$10 317

7. LEASES

(a) Future minimum payments under capital (computer equipment) and operating (office rental and computer equipment) leases, together with the present value of the net minimum payments under capital leases, are as follows:

(Thousands of dollars)

Years Ending March 31,	Leases	
	Capital	Operating
1988	$ 2 582	$ 2 243
1989	2 239	2 049
1990	2 159	--
1991	2 060	--
1992	1 334	--
Subsequent years	8	--
Total minimum lease payments	$10 382	$4 292
Less interest element (Weighted Average 11%)	2 004	
Present value of net minimum lease payments	8 378	
Less principal due within one year	1 691	
Capital equipment leases payable	$ 6 687	

(b) In January, 1986 the Commission entered into a sixty-month operating lease agreement for a 3090-200 processor. This lease is terminable by the Commission after thirty-six months upon payment of a termination fee ($438 000) equal to three months lease payments. Management anticipates that, at the end of the thirty-six month period, the processor shall be returned to the lessor; accordingly, the $438,000 termination fee is being charged to operations over a thirty-six month period.

(c) A second 3090-200 processor was installed in March, 1986 under a sixty-six month capital lease.

MANITOBA DATA SERVICES
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1987

8. LONG-TERM ACCOUNTS RECEIVABLE

Term financing is extended to clients for the purchase of computer equipment and for systems development. Principal amounts receivable within one year of $26 000 (1986: $125 000) are included in current accounts receivable.

9. HEALTH-CARE INITIATIVE PROGRAM EQUIPMENT

Long-term financing is being arranged with the Department of Finance, Government of the Province of Manitoba for a Unisys Model A12 computer system received March 31, 1987. Manitoba Data Services will initially utilize this Unisys system for the Manitoba Health Services Commission (MHSC)/Unisys health care initiative program. In accordance with a letter of understanding provided by MHSC, Manitoba Data Services is guaranteed the recovery of costs related to the operation of the Unisys system for the health care initiative program. No depreciation or amortization of the Unisys system was charged in the current year.

10. RELATED-PARTY TRANSACTIONS

Substantially all revenue earned by the Commission and related accounts receivable are from departments of the Government of the Province of Manitoba, its Crown corporations and agencies.

11. COMPARATIVE FIGURES

Certain of the 1986 figures have been restated consistent with the 1987 presentation.

Manitoba

MANITOBA DEVELOPMENT CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to C and Schedules 1 to 5, of the Manitoba Development Corporation for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

As set out in note 4 to the financial statements, the Corporation does not recover administrative costs for its participation in the Jobs Fund Development Agreement Program. Part II of The Development Corporation Act and Section 7 of Revised Regulation D60-R1 provide that the Corporation shall charge a management fee which shall be equivalent to its estimated expenses of acting on behalf of the Government of Manitoba. The Corporation has not charged a management fee for the operation of the Jobs Fund Development Agreement Program or for assistance provided to corporations under Part II of The Development Corporation Act. The effect of this is to understate its accounts receivable and to overstate the deficit by an estimated $300,000 (1986 - $200,000) and to understate recoveries from the Province of Manitoba and the excess of revenue over expenditure for the year by an estimated $100,000 (1986 - $100,000).

In our opinion, these financial statements, except for the exclusion of the estimated management fee as described in the preceding paragraph, present fairly the financial position of the Manitoba Development Corporation as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, CA,
Provincial Auditor.

February 19, 1988,
Winnipeg, Manitoba.

Exhibit A

MANITOBA DEVELOPMENT CORPORATION

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

	1987			1986
ASSETS	Part I	Part II	Total	Total
Bank	$ 238,312	$ -	$ 238,312	$ 57,258
Trust funds held	-	815	815	28,316
Short term deposits	-	-	-	9,091,854
Accounts receivable	22,562	-	22,562	252,992
Due from the Province of Manitoba (note 3)	7,805,582	-	7,805,582	234,412
Loans receivable, Schedule 1	7,297,123	19,886,868	27,183,991	25,976,245
Equity investments, Schedule 2	-	5,510,239	5,510,239	12,154,000
Properties held for resale at lower of cost or estimated realizable value	-	-	-	126,578
Office furniture & equipment at cost less accumulated depreciation $55,338 (1986 - $52,576)	27,137	-	27,137	7,077
	$15,390,716	$25,397,922	$40,788,638	$47,928,732
LIABILITIES				
Accounts payable	$ 605,408	$ -	$ 605,408	$ 92,462
Interest payable	-	839,869	839,869	657,946
Due to Destination Manitoba	-	-	-	25,000
Provision for divestiture costs (note 6)	14,685,851	-	14,685,851	-
Due to Communities Economic Development Fund (note 2(d))	215,457	-	215,457	392,644
Allowance for loss on investment in Flyer Industries Limited, Schedule 3	-	-	-	23,961,074
Advances from the Province of Manitoba	-	24,558,053	24,558,053	29,440,950
	15,506,716	25,397,922	40,904,638	54,570,076
SHAREHOLDERS' EQUITY				
Capital Stock: Authorized & Issued - 500,000 shares @ $100 each	50,000,000	-	50,000,000	50,000,000
Deficit, Exhibit B	(50,116,000)	-	(50,116,000)	(56,641,344)
	(116,000)	-	(116,000)	(6,641,344)
	$15,390,716	$25,397,922	$40,788,638	$47,928,732

Exhibit B

MANITOBA DEVELOPMENT CORPORATION

Statement of Deficit
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Balance - beginning of year	$ 56,641,344	$43,554,788
Transfer from revenue and expenditure, Exhibit C	(6,525,344)	13,086,556
Balance - end of year -Exhibit A	$ 50,116,000	$56,641,344

Exhibit C

MANITOBA DEVELOPMENT CORPORATION

Statement of Revenue and Expenditure
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Interest and fees:		
Loans and guarantees - Part I	$ 1,261,006	$ 1,353,114
- Part II	1,875,343	736,057
Term deposits	311,896	1,107,257
Administration fees earned	19,272	-
	3,467,517	3,196,428
Rental income - Net	5,581	6,107
Recoveries - Province of Manitoba (note 4)	104,909	141,115
Profit on sale of property	215,703	-
	3,793,710	3,343,650
Expenditures:		
Interest - Province of Manitoba -Part II	1,875,343	736,057
Salaries and benefits	321,796	254,105
Other expenses	309,149	362,210
Administration - Communities Economic Development Fund (note 2(d))	-	80,000
	2,506,288	1,432,372
Sub-Total	1,287,422	1,911,278
Extraordinary Items:		
Provision for losses on investments, Schedule 3	(23,628,164)	(14,386,133)
Recovery from the Province of Manitoba	29,633,037	-
Excess of Revenue over Expenditure before CEDF subsidy	7,292,295	(12,474,855)
Subsidy to Communities Economic Development Fund	(766,951)	(611,701)
Excess of revenue over expenditure, transfer to Deficit, Exhibit B	$ 6,525,344	$ (13,086,556)

Schedule 1

MANITOBA DEVELOPMENT CORPORATION

Summary of Loans Receivable
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Part I:		
Loans made prior to suspension of activities (note 1)	$ 7,297,123	$ 7,980,085
Part II:		
Loans receivable:		
General	$ 3,728,833	$ 3,912,311
Jobs Fund	24,267,486	14,083,849
	27,996,319	17,996,160
Less: Provision for forgiveness and doubtful accounts	(8,109,451)	
	$19,886,868	$17,996,160
Loans receivable less provision for forgiveness and doubtful accounts, Exhibit A	$27,183,991	$25,976,245

Schedule 2

MANITOBA DEVELOPMENT CORPORATION

Summary of Equity Investments
as at March 31, 1987
(with 1986 figures for comparison)

Part I:

	1987	1986
William Clare (Manitoba) Ltd.:		
100 common shares, nominal value	$ -	$ 1
Flyer Industries Limited, at cost: (Note 6)		
9,682,000 preferred shares	-	9,682,000
8,000,000 subordinate preferred shares	-	8,000,000
552,563 common shares	-	16,750,106
Loans receivable	-	7,280,874
Saunders Aircraft Corporation Limited		
Receivership account (note 5d)	100	100
	100	41,713,081
Allowance for losses, Schedule 3	(100)	(41,713,081)
Equity investments, less allowance for losses, Exhibit A	$ -	$ -

Part II:

	1987	1986
A. E. McKenzie Co. Ltd. at cost:		
12,154,000 preferred shares	$12,154,000	$12,154,000
Allowance for losses, Schedule 3	(6,643,761)	-
Equity investment, less allowance for losses, Exhibit A	$ 5,510,239	$12,154,000

Schedule 3

MANITOBA DEVELOPMENT CORPORATION

Allowance for Losses on Investments for the Year Ended March 31, 1987

Part I:	March 31 1986	Divestiture Costs (Schedule 4)	Current Provision (Recovery)	March 31 1987
Equity investments and related loan receivable	$41,712,981	$40,712,980	$(1,000,000)	$ -
Receivership account	100	-	-	100
Additional loss on investment in Flyer Industries Limited	23,961,074	48,589,238	24,628,164	-
	$65,674,155	$89,302,218	$23,628,164	$ 100

Part II:				
A. E. McKenzie Co. Ltd.	$ -	$ -	$ 6,643,761	$6,643,761

Schedule 4

MANITOBA DEVELOPMENT CORPORATION

Statement of Divestiture Costs of Flyer Industries Limited (Note 6)

For the Year Ended March 31, 1987

Investment Losses:		
Write off of shares	$34,432,106	
Write off of loan receivable, March 31, 1986	7,280,874	
	41,712,980	
Less: Proceeds from sale of shares	(1,000,000)	
Loss on investment, Schedule 3		40,712,980
Acquisition Costs, July 15, 1986:		
Liabilities assumed	13,368,068	
Less: Assets acquired	(12,905,144)	
Loss on acquisition		462,924
Other Costs:		
Write down of assets to realizable value	5,028,306	
Bank guarantee	19,959,399	
Outstanding cheques	3,450,030	
Warranty obligations	15,057,908	
Fixed asset acquisitions	4,948,903	
Write off of loans & interest	3,815,348	
Purchase of minority shares	332,522	
Severance payments & consultations	1,292,878	
Insurance	516,636	
Occupancy Costs	286,137	
Professional fees	460,000	
Equipment removal	230,000	
Inventory management	300,000	
Sundry	191,229	55,869,296
		97,045,200
Less Other Proceeds:		
Sale of fixed assets	3,325,000	
Proceeds from work-in-process	3,016,890	
Lease proceeds	1,365,000	
Sundry	36,092	(7,742,982)
Net divestiture costs of Flyer Industries Limited, Schedule 3		$89,302,218

Schedule 5

MANITOBA DEVELOPMENT CORPORATION

Report of Assistance Granted or to be Granted for the year ended March 31, 1987

Assistance Approved Under Part I of the Development Corporation Act

Flyer Industries Limited	
Loan - Interest Rate 9 1/2% - 6 month term	$ 3,000,000
New Flyer Industries Limited	
Guarantee - 5 year term (reducing)	$ 8,000,000

Assistance Approved Under Part II of the Development Corporation Act

Jobs Fund Loan Program:

New Flyer Industries Limited	
Loan - Interest 0% forgivable - 42 month term	$ 3,605,882
Grant -	$ 1,000,000
Carnation Foods Company Ltd.	
Loan - interest rate 0% forgivable	$ 1,500,000
Guer-tin Bros. Polymers et al	
Loan - interest rate 0% - 5 yr. term	$ 450,000
North Portage Development Corporation	
Loan - interest 0% - 10 yr. term	$ 1,800,000
Palliser Furniture Ltd.	
Loan - interest 0% - 5 yr. term	$ 2,000,000
Simon Day Ltd.	
Guarantee - 2% fee - 2 year term	$ 302,017 U.S.
- 2% fee - 6 month term	$ 508,588 U.S.

Schedule 5

MANITOBA DEVELOPMENT CORPORATION

Report of Assistance Granted or to be Granted
for the year ended March 31, 1987

Canada/Manitoba Tourism Development Agreement:

	Interest Rate	Term	Amount
Elkhorn Ranch & Resort Ltd.	0%	Forgivable	$500,000
Elkhorn Ranch & Resort Ltd.	6%	12 years	$350,000
Nejalini Lodge Ltd.	0%	Forgivable	$175,000
Nejalini Lodge Ltd.	6%	10 years	$175,000

Manufacturing Adaptation Program

57431 Manitoba Ltd.: Loan - Interest Rate is Crown Corporation Borrowing Rate Less 2% - 7 Year Term	$ 40,000
Village Sportswear Ltd. Loan - Interest Rate is Crown Corporation Borrowing Rate Less 2% - 7 Year Term	$ 30,000

MANITOBA DEVELOPMENT CORPORATION

Notes to Financial Statements for the year ended March 31, 1987

1. Nature of Operations and Economic Dependence:

   The Corporation provides loans and loan guarantees under Part I and Part II of The Development Corporation Act. The activities under Part I and Part II are accounted for separately. Part I activities are undertaken at the initiative of the Corporation, while Part II activities are at the direction of the Province of Manitoba. The Corporation's lending operations under Part I were suspended effective November 15, 1977 except since then, further guarantee and loan commitments have been made on the direction of the Province of Manitoba. The Corporation is dependent on the Province of Manitoba for its continued operations.

2. Significant accounting policies:

   (a) Losses under Part I are charged against operations of the Corporation but losses under Part II are the responsibility of the Province. Part II losses and provisions for losses are charged directly against advances received from the Province.

   (b) The accrual basis of accounting is followed except for the accounting for pension costs, for divestiture costs of Flyer Industries Limited, and for loans provided by the Corporation. Pension costs are charged to operations as incurred (see note (c) below), divestiture costs of Flyer Industries Limited include provision for future anticipated costs (see note 6) and approved loans are recorded when disbursed (see note 5(b)).

   (c) The employees of the Corporation are not members of the Civil Service of the Province but they contribute to, and are pensionable under the Civil Service Superannuation Fund. In accordance with the provision of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension paid to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Corporation's employees amounted to $291,975 as at December 31, 1987, ($246,073 as at December 31, 1986).

MANITOBA DEVELOPMENT CORPORATION

Notes to Financial Statements
for the year ended March 31, 1987

2. (d) The Manitoba Development Corporation is jointly administered with the Communities Economic Development Fund (CEDF). At the year end, common administrative expenses are reviewed and allocated between CEDF and the Corporation on a proportionate basis as determined by officials of CEDF and the Corporation. The difference between the administrative expenses paid by the Corporation and the prorated administrative expenses are reflected as either a recovery of administrative expenses or as a reimbursement to CEDF for the Corporation's share of common administrative expenses. In fiscal 1987 the difference was not significant and therefore a recovery was not required.

(e) Office furniture and equipment is depreciated at 10% on a straight line basis.

3. Due from the Province of Manitoba:

The amount due from the Province represents the recoverable balance outstanding for costs or fees incurred by the Corporation on behalf of the following operations:

	1987	1986
The Pas Forestry Complex, (note 5(c))	$ 70,729	$ 204,815
Destination Manitoba	35,226	12,346
Manitoba Interest Rate Relief Program	11,956	17,251
Flyer Industries Ltd. Divestiture, note 6	7,633,037	
Tantalum Mining Corporation of Canada	54,580	-
Other	54	-
	$7,805,582	$ 234,412

4. Recoveries from the Province of Manitoba:

The Corporation is entitled to recover administrative costs for all Part II programs. The Corporation does not completely recover administrative costs for its participation in the Jobs Fund Development Agreement Program. These costs are estimated to be $100,000 for the current fiscal period (1986 - $100,000). During the year the Corporation recovered administrative costs or service fees for administering the following programs:

MANITOBA DEVELOPMENT CORPORATION

Notes to Financial Statements
for the year ended March 31, 1987

		1987	1986
4. (con.)	Tourism Agreement	$ 4,600	$ -
	Destination Manitoba	42,148	56,199
	Manitoba Interest Rate Relief Program	58,161	84,916
		$ 104,909	$ 141,115

5. Contingent Liabilities and Commitments:

(a) Bank Guarantees, Part II:

The Corporation has provided guarantees under the Jobs Fund Loan Program as follows:

	1987	1986
Gravure Graphics Ltd.	$1,225,000	$ 1,225,000
Rock Lake Oil Seeds (1985) Holding Company Ltd.	-	2,250,000
Simon Day Ltd.	794,179 U.S.	-

(b) Commitment, Part II:

Undisbursed balances of approved loans:	1987	1986
Destination Manitoba	$ 32,000	$ 202,462
Tantalum Mining Corporation of Canada Limited	350,500	350,500
Jobs Fund Loan Program	2,854,986	4,189,651
Canada Manitoba Tourism Agreement	925,000	-
	$4,162,486	$ 4,742,613

(c) The Pas Forestry Complex:

In accordance with the terms of an agreement dated March 25, 1975, between Manfor Ltd., the Province and the Corporation, the Corporation has a continuing responsibility to press and defend all claims in connection with the affairs of the several companies comprising The Pas Forestry Complex. All costs incurred by the Corporation in respect of such claims will be reimbursed by the Province.

The remaining funds in the Receiver's accounts will be transferred to the Province when the Receiver settles all outstanding legal issues.

5. (d) Saunders Aircraft Corporation Limited:

Saunders Aircraft Corporation Limited was placed in receivership by the Manitoba Development Corporation on May 20, 1976. The Manitoba Development Corporation has indemnified the Receiver-Manager for expenses, losses or damages incurred.

Funds realized from the receivership actions, less an estimated amount retained by the Receiver-Manager to cover future administrative costs, are remitted to the Province. Funds in excess of those required by the Receiver-Manager are payable to the Province.

The Receiver-Manager has advised the Manitoba Development Corporation that the final outstanding account has been realized by a court settlement in the amount of $200,000 less legal fees. When this transaction is finalized, the Receiver-Manager will apply to the courts to be discharged.

(e) New Flyer Industries Limited:

Under the terms of the Divestiture Agreement described in Note 6, the Manitoba Development Corporation is contingently liable for and the Province of Manitoba is ultimately responsible for the following:

i) Bank Guarantee

A Canadian chartered bank has been provided with a guarantee of the amount outstanding under a line of credit established by BV Carrosseriefabrieken den Oudsten en Zonen to a maximum of $8 million. The guarantee shall be reduced by $1 million on each July 15, 1988 until July 15, 1991, at which time the guarantee shall be reduced to zero. There are no advances against the line of credit.

ii) Performance Bonds

MDC has agreed to provide guarantees of performance bonds up to a maximum of $30 million for contracts to be undertaken by New Flyer Industries in 1988 and 1989. Subsequent to year-end, $1.5 million of that commitment has been issued by means of guarantees of performance bonds.

iii) Litigation

The Corporation has assumed all of Flyer Industries Limited litigation and related proceedings outstanding prior to and as at the date of sale. In certain instances, the Corporation is similarly responsible for such proceedings arising after the date of sale.

There are seven such claims that remain to be settled. The outcome of these claims and estimated exposure to the Corporation are unknown but are not expected to have a material effect on the operations and financial position of the Corporation.

Until December 31st, 1986, MDC participated in the costs of public liability insurance coverage for New Flyer Industries Limited and the relevant policy was so endorsed. Subsequent to December 31st, 1986, public liability insurance has not been in place pending a review, on an on-going basis, of market availability and reasonableness of cost. Claims which might arise in this regard may or may not be covered by prior years' insurance policies.

iv) Pension Fund

An actuarial valuation is being prepared relative to the pension fund for Flyer Industries Limited at July 15, 1986. The results are unknown but are not expected to create a significant unfunded liability.

v) Other Contingencies

In addition to the costs outlined in Note 6, other contingencies may arise as the Corporation proceeds with Flyer divestiture. The nature and magnitude of such contingencies are not determinable.

6. Flyer Divestiture:

On July 15, 1986, the Manitoba Development Corporation entered into an agreement with BV Carrosseriefabrieken den Oudsten en Zonen by which MDC divested itself of its interest in Flyer Industries Limited. Under the terms of this agreement, the shares were sold to B. V. Carrosseriefabrieken den Oudsten en Zonen for $1,000,000 and MDC contracted to receive certain revenues and pay certain costs as described in Schedule "4", The net cost of this divestiture is estimated to be $103 million allocated as follows:

MDC (Schedule 4)	$89,302,218
Province of Manitoba	14,065,000
Total	$103,367,218

MANITOBA DEVELOPMENT CORPORATION

Notes to Financial Statements
for the year ended March 31, 1987

The divestiture costs of $89,302,218 related to MDC are comprised of payments, net of receipts, to March 31, 1987 of $74,616,317, estimated future payments of $18,109,439, estimated future receipts of $5,863,588 and a contingency provision of future warranty claims and other costs of $2,440,000.

7. Trust Funds Held - Seattle Escrow:

Under the terms of the divestiture agreement described in note 6, MDC assumed responsibility from Flyer Industries Limited to continue joint administration with the Municipality of Metropolitan Seattle of a trust agreement arranged for the completion of outstanding warranty claims of the Municipality of Metropolitan Seattle. The balance assumed in the trust account established through this agreement represents the undisbursed portion of funds previously transferred to the account by Flyer Industries Limited. This trust account has not been reflected in the balance sheet. A summary of transactions in the trust account since July 15, 1986 is as follows: (U.S. Funds):

Balance assumed, July 15, 1986	$ 365,497
Interest revenue	11,768
	377,265
Warranty Payment	(47,582)
Balance, March 31, 1987	$ 329,683

Any unused funds remaining after warranty completion will be the property of MDC. MDC is not liable for any costs beyond the balance in the trust account.

8. Comparative Figures

1986 comparative figures have been restated where necessary to conform with the 1987 financial statement presentation.

ARTHUR ANDERSEN & CO.
CHARTERED ACCOUNTANTS

1400 - 444 ST. MARY AVE.
RUPERTSLAND SQUARE
WINNIPEG, R3C 3T1
(204) 942-6541

TO THE BOARD OF DIRECTORS OF
THE MANITOBA ENERGY AUTHORITY:

We have examined the balance sheets of THE MANITOBA ENERGY AUTHORITY (a Manitoba corporation) as at March 31, 1987 and 1986 and the related statements of operations for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at March 31, 1987 and 1986 and the results of its operations and the changes in its financial position for the years then ended in accordance with the basis of accounting described in Note 2 a) applied on a consistent basis.

Arthur Andersen & Co.

July 31, 1987

THE MANITOBA ENERGY AUTHORITY
Balance Sheets
as at March 31, 1987 and 1986

Assets

Current	1987	1986
Cash in bank and in trust with the Minister of Finance	$ 42,124	$ 20,206
Accounts receivable	3,132	-
Appropriation receivable	69,108	45,794
Prepaid expenses and other assets	2,753	2,048
	$ 117,117	$ 68,048
Fixed, at cost		
Leasehold improvements	$ 3,949	$ 69,143
Furniture, furnishings and office equipment	68,643	54,707
Word processing and computer equipment/software	67,643	47,932
	$ 140,235	$ 171,782
Less accumulated depreciation and amortization	55,997	78,579
	$ 84,238	$ 93,203
Other, at cost	$ 4,124	-
	$ 205,479	$ 161,251

Liabilities and Revenue Deficiency

Current	1987	1986
Accounts payable and accrued liabilities	$ 98,369	$ 156,461
Accrued interest payable	69,108	45,794
	$ 167,477	$ 202,255
Long-Term		
Advances due to the Province (Note 1)	$3,125,000	$1,675,000
Deferred revenue	25,108	-
Total liabilities	$3,317,585	$1,877,255
Commitments (Notes 3 and 4)		
Accumulated revenue deficiency	($3,112,106)	($1,716,004)
	$ 205,479	$ 161,251

The accompanying notes are an integral part of these balance sheets.

THE MANITOBA ENERGY AUTHORITY
Statements of Operations
For the years ended March 31, 1987 and 1986

Revenue:	1987	1986
Department of Energy and Mines appropriation	$ 235,166	$ 125,343
Miscellaneous receipts	-	1,123
	$ 235,166	$ 126,466
Expenses:		
Operating expenses (Note 5):		
Personnel services	$ 481,863	$ 480,008
Travel	88,025	63,425
Communications	81,255	131,338
Rentals	63,014	59,473
Professional services	591,882	365,262
Interest expense	235,248	125,343
Other operating	43,420	40,106
	$1,584,707	$1,264,955
Depreciation and amortization	46,561	39,954
	$1,631,268	$1,304,909
Net revenue deficiency for the year	($1,396,102)	($1,178,443)
Revenue deficiency, beginning of year	(1,716,004)	(537,561)
Revenue deficiency, end of year	($3,112,106)	($1,716,004)

The accompanying notes are an integral part of these statements.

THE MANITOBA ENERGY AUTHORITY
Notes to Financial Statements
For the years ended March 31, 1987 and 1986

1. Authority and Mandate

The Manitoba Energy Authority is incorporated under a specific Statute in the Province of Manitoba, being "The Manitoba Energy Authority Act", (assented to July 29, 1980), Chapter E 112 of the Statutes of Manitoba, 1980, with amendments pursuant to Section 5 of An Act to amend The Manitoba Energy Authority Act, Chapter 34 of the Statutes of Manitoba, 1986-87.

The Authority is responsible for developing and implementing policies to ensure the long-term stability and availability of electrical energy supply to Manitobans. The Authority is also responsible, through its Electrical Energy Marketing Committee, for negotiating export sales of electrical energy with other provincial utilities and with utilities in the United States. The Authority is further responsible for promoting the establishment, development and operation of energy intensive industries within the province.

The Authority is additionally responsible for co-ordinating all departmental and Manitoba Hydro activities related to industrial and employment benefits associated with the Limestone Generating Station Project.

The Manitoba Jobs Fund provides funding for all Limestone-related expenditures except for consulting contracts entered into regarding Limestone Project financing.

The Limestone Training and Employment Agency (LTEA) was established with the approval of the Board of Directors of The Manitoba Energy Authority, under Ministerial direction, pursuant to Section 4 of The Manitoba Energy Authority Act, March 25, 1985. Legal advice at the time indicated the Authority would have no responsibility or authority over the operations or administration of the Agency, and would therefore not be accountable for any part of the Agency's operations.

Recent legal advice has indicated that the Authority still retains ultimate legal liability and responsibility for the activities of the LTEA in its present form. As it was not intended that the Authority be accountable for any part of the Agency's operations, the Board has adopted revised instructions from the Minister regarding the establishment of the LTEA and has authorized the incorporation of the LTEA as a wholly owned subsidiary. Subsequent to March 31, 1987 the Agency was incorporated as a wholly owned subsidiary of The Manitoba Energy Authority under Section 9 of The Manitoba Energy Authority Act.

Consistent with Ministerial intent to ensure that the Authority exercises no control over the LTEA's assets or operations, the Authority does not and will not include the reporting of the Limestone Training and Employment Agency's financial activities in its financial statements. The LTEA will publish its own financial statements incorporating the disbursements of the Departments of Education, Employment Services and Economic Security, and Labour for Limestone-related training, as well as its own direct expenditures.

The Legislature has authorized the borrowing and spending of monies for the operations of The Manitoba Energy Authority as follows:

a) Legislative Authority - The Loan Act, 1984
b) Authorization - $5,000,000
c) Unexpended balance as [illegible]
March 31, 1987 - $1,875,000

Advances of $1,450,000 and $1,075,000 for the years ended March 31, 1987 and 1986 bear interest at the prevailing bank prime rate and accrued interest is paid quarterly from an appropriation of the Department of Energy and Mines. Advances are repayable at any time in whole or in part at the option of the Lieutenant Governor-in-Council.

Commencing April 1, 1987, the Authority will pay interest charges on accumulated loan advances from its available loan authority.

2. Significant Accounting Policies

a) Basis of Reporting

These financial statements have been prepared in accordance with generally accepted accounting principles, except for the accounting for pension costs as set out in Note 2 b).

b) Pension Costs

Pursuant to subsection 29 of The Manitoba Energy Authority Act, the Lieutenant Governor-in-Council has directed that The Civil Service Superannuation Act apply to employees who were employed under The Civil Service Act immediately prior to becoming employed as officers or employees of The Manitoba Energy Authority effective the date on which they become employed with The Manitoba Energy Authority. In accordance with the provision of The Manitoba Civil Service Superannuation Act, the Authority is required to contribute 50% of the pension disbursement made to retired employees. Such payments are to be charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. No such payments were made for the years ended March 31, 1987 and 1986. An actuarial evaluation, yet to be completed, will determine the unfunded liability which exists for the Authority's participating staff.

The Authority has also established a Money Purchase Pension Plan for those employees who do not contribute to the Civil Service Superannuation Fund. This Plan provides for full vesting after a qualifying period by the employees. Both the Authority and the employees contribute to the Plan on the basis of the employees' regular salary.

c) Depreciation

Depreciable assets other than leasehold improvements are depreciated at the rate of 20% per year on the declining balance basis.

Leasehold improvements are amortized on the straight-line method over the life of the lease, a period of three years.

3. Northern States Power Company (NSP) Contract

The Authority negotiated and is co-signer with The Manitoba Hydro-Electric Board in an agreement dated June 14, 1984 to supply 500 MW or 500,000 kilowatts of power to NSP for a 12 year period, May 1, 1993 to April 30, 2005, at an annual average capacity factor of 75%.

Under the terms of The Manitoba Energy Foundation Act, being Chapter 13 of the Statutes of Manitoba, 1986-87 (which may be referred to as Chapter E114 of the Continuing Consolidation of the Statutes of Manitoba), the Authority and Manitoba Hydro shall each be reimbursed an amount equal to the expense incurred by each in negotiating or directing the negotiation of any agreement respecting the long-term export sale of hydro-electric power. Such sales made on and after January 1, 1984 must be designated by an order of the Lieutenant Governor-in-Council as an agreement for the purpose of The Manitoba Energy Foundation Act.

The Authority and Manitoba Hydro will be reviewing each other's attributable costs to establish reimbursable charges.

4. Future Commitments

As at March 31, 1987, the Authority has future commitments related to its lease for premises (to January 31, 1992) and other leases and maintenance agreements totaling approximately $80,000 annually.

The Authority has entered into employment contracts with seven of its employees. These agreements terminate during the period September 30, 1987 through January 2, 1990 and entail an annual commitment of approximately $390,000. The Authority has also entered into consulting contracts which have a potential future obligation of approximately $210,000.

5. Related Party Transactions

The Province of Manitoba, through the Department of Energy and Mines, provides administrative services to the Authority without charge for such services. Management estimates that the value of these services for the years ended March 31, 1987 and 1986 to be $9,000 and $12,000 respectively.

In addition, the Province of Manitoba absorbed employer taxes for the Authority's employees without charge to December 19, 1986. The value of such benefits for the years ended March 31, 1987 (to December 19, 1986 only) and 1986 is estimated to be $10,500 and $15,000 respectively.

Manitoba

THE MANITOBA HABITAT HERITAGE CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Manitoba Habitat Heritage Corporation as at March 31, 1987 and the statement of revenue, expenditure and unexpended funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies described in note 2 to the financial statements.

F. H. Jackson, CA,
Provincial Auditor.

September 28, 1987,
Winnipeg, Manitoba.

THE MANITOBA HABITAT HERITAGE CORPORATION

Balance Sheet
as at March 31, 1987

ASSETS

Current:	
Cash	$ 15,515
Term deposit	35,000
	50,515
Fixed:	
Land (Note 2)	63,614
	$ 114,129

LIABILITIES AND FUND BALANCES

Deferred interest income	$ 88
Investment in fixed assets (Note 2)	63,614
Unexpended funds	50,427
	$ 114,129

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Revenue, Expenditure and Unexpended Funds
for the year ended March 31, 1987

Revenues:	
Grant from Government of the Province of Manitoba	$ 250,000
Interest	2,609
Contributions:	
Conservation Districts Authority	734
Brandon Natural History Society	200
Total revenue	253,543
Expenditures:	
Projects:	
Enhancement	103,677
Acquisition	63,614
Easements	14,672
Research studies	9,320
Public Information	6,244
Grant to Turtle River Conservation District	1,500
General and administrative:	
Board meetings	2,698
Stationery supplies	1,328
Bank services	63
Total expenditures	203,116
Unexpended funds	$ 50,427

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to the Financial Statements
as at March 31, 1987

1. Nature of Organization

The Manitoba Habitat Heritage Corporation was established in February, 1986 as a Crown Corporation under The Manitoba Habitat Heritage Act. The objectives of the Corporation are the conservation, restoration and enhancement of Manitoba fish and wildlife habitat and the fish and wildlife populations.

2. Significant Accounting Policies

a) These statements are prepared on an accrual basis of accounting except that fixed assets are charged to operating expenditures in the year of acquisition. Fixed assets are then capitalized at cost with a corresponding amount being reflected in "Investment in Fixed Assets".

b) Professional and administrative support is provided by Fisheries and Wildlife Branches staff of the Department of Natural Resources at no cost to the Corporation. This support is estimated to be $60,000. These costs are not reflected in these financial statements.

3. Commitments

a) The Corporation is committed to expend $40,742 under land leases. These leases have expiry dates ranging from 1990 to 1992.

b) The Corporation is committed to expend $45,000 under the following cooperative project funding agreements:

Duck Mountain Elk Project	$ 40,000
Akudlik Marsh Project	5,000

Manitoba

THE MANITOBA HEALTH RESEARCH COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Manitoba Health Research Council for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Council as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 3 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

May 22, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA HEALTH RESEARCH COUNCIL

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
ASSETS		
Cash	$ 478,627	$ 266,931
Grant receivable from The Manitoba Lotteries Foundation	115,528	127,116
Accrued interest	11	2,388
	$ 594,166	$ 396,435
LIABILITIES AND UNEXPENDED FUNDS		
Accounts payable	$ 4,996	$ 3,574
Research grants payable	306,465	280,059
Unexpended funds, Exhibit B	282,705	112,802
	$ 594,166	$ 396,435

The accompanying notes are an integral part of the financial statements.

Exhibit B

THE MANITOBA HEALTH RESEARCH COUNCIL

Statement of Revenues and Expenditures and Unexpended Funds for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Revenues:		
Grant from the Government of the Province of Manitoba	$ 787,000	$ 787,000
Grant from The Manitoba Lotteries Foundation	695,373	816,034
Returned grant funds	21,078	6,388
Bank interest	26,524	7,367
Insurance recovery	743	-
	1,530,718	1,616,789
Expenditures:		
Research grants (Note 3(b)):		
University of Manitoba on behalf of grantees	1,296,465	1,187,519
University of Winnipeg on behalf of grantees	-	15,300
Manitoba Cancer Treatment and Research Foundation on behalf of grantees	14,200	34,000
Brandon University on behalf of grantees	-	12,000
St. Boniface Hospital on behalf of grantees	-	4,600
	1,310,665	1,253,419
Administration expenses, Schedule 1	50,150	44,953
	1,360,815	1,298,372
Revenues over expenditures	169,903	318,417
Balance of unexpended funds (deficit), beginning of year	112,802	(205,615)
Balance of unexpended funds, end of year, Exhibit A	$ 282,705	$ 112,802

The accompanying notes are an integral part of the financial statements.

Schedule 1

THE MANITOBA HEALTH RESEARCH COUNCIL

Administration Expenses
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Accounting and audit	$ 1,250	$ 1,150
Bank charges	78	28
Council and committee expenses	539	544
Insurance	125	100
Office equipment (Note 3(a))	1,303	2,066
Symposium	-	1,000
Postage and delivery	899	756
Printing and stationery	2,001	4,861
Salaries and benefits	43,547	33,464
Telephone	408	346
Travel	-	638
Total administration expenses, Exhibit B	$ 50,150	$ 44,953

The accompanying notes are an integral part of the financial statements.

THE MANITOBA HEALTH RESEARCH COUNCIL

Notes to the Financial Statements
for the year ended March 31, 1987

1. INCORPORATION AND FUNCTION

The Manitoba Health Research Council was established by an Act of the Legislature, being Chapter 31, The Manitoba Health Research Council Act, which came into force effective August 15, 1982. The Council was established to promote and assist basic, clinical and applied research in the health sciences in Manitoba and advise the Minister in respect of such matters relating to health research as the Minister may refer to the Council for its consideration.

2. CHARITABLE STATUS

The Manitoba Health Research Council is a registered charity within the meaning of the Income Tax Act.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) An accrual basis of accounting is used except for office equipment purchases, which are charged to expenditures in the year of acquisition.

(b) Research grants are charged to expenditures when funding is approved by the Council.

Manitoba

MANITOBA HEALTH SERVICES COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A, B, C and Schedule 1, of the Manitoba Health Services Commission for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

June 12, 1987,
Winnipeg, Manitoba.

Statement A

MANITOBA HEALTH SERVICES COMMISSION

BALANCE SHEET

AS AT MARCH 31, 1987

(With 1986 Figures for Comparison)

ASSETS

	1987	1986
	(thousands of	dollars)
Cash on hand and in bank	$ 8,927	$ 5,050
Funds on deposit, Government of the Province of Manitoba	49,067	40,852
Accounts receivable:		
Government of the Province of Manitoba (Note 6)	577	639
Other Provinces and Territories	4,915	4,681
Other	412	421
	5,904	5,741
Land, buildings, furniture and equipment at nominal value of one dollar (Note 1)	-	-
	63,898	51,643
Funds held in trust re debenture trust agreements (per contra) (Note 2)	20,755	20,345
	$ 84,653	$ 71,988

The accompanying notes are an integral part of the financial statements.

Statement A

LIABILITIES

	1987	1986
	(thousands of dollars)	
Accounts payable and accrued charges:		
Hospital and personal care home services:		
Liability for unreported claims	$ 4,422	$ 3,640
Estimated adjustment payments under section 87(2) of The Health Services Insurance Act and other costs, net	16,681	14,796
	21,103	18,436
Medical services claims (Note 7)	33,424	20,936
Pharmacare claims	6,088	8,966
Ambulance grants	274	265
Air ambulance	11	192
Northern patient transportation claims	69	73
Other health services claims	1,627	1,361
General	632	562
	63,228	50,791
Working capital account, Statement C	670	852
	63,898	51,643
Funds held in trust re debenture trust agreements (per contra)	20,755	20,345
	$ 84,653	$ 71,988

Statement B

MANITOBA HEALTH SERVICES COMMISSION
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1987
(With 1986 Figures for Comparison)

	1987	1986
	(thousands of dollars)	
Revenue:		
Grants from the Government of the Province of Manitoba	$ 1,113,442	$ 1,037,199
Third party recoveries (Note 1)	3,997	3,856
Miscellaneous income	61	54
Total revenue	$ 1,117,500	$ 1,041,109
Expenditure:		
Hospital services:		
Hospitals within the Province	$ 657,617	$ 611,563
Hospitals outside the Province	14,873	12,083
	672,490	623,646
Medical services	221,922	202,138
Personal care home services	155,887	151,982
Pharmacare program	29,136	27,617
Ambulance program	2,137	2,045
Air ambulance program (Note 4)	2,340	1,627
Northern patient transportation program	2,554	2,728
Other health services (Note 5)	15,637	14,816
Administrative expenses, Schedule 1	15,579	14,538
Total expenditure	$ 1,117,682	$ 1,041,137
Expenditure over revenue, Statement C	$ 182	$ 28

The accompanying notes are an integral part of the financial statements.

Statement C

MANITOBA HEALTH SERVICES COMMISSION

STATEMENT OF WORKING CAPITAL ACCOUNT

FOR THE YEAR ENDED MARCH 31, 1987

(With 1986 Figures for Comparison)

	1987	1986
	(thousands of dollars)	
Balance, beginning of year	$ 852	$ 880
Less, expenditure over revenue, Statement B	182	28
Balance, end of year, Statement A	$ 670	$ 852

The accompanying notes are an integral part of the financial statements.

Schedule 1

MANITOBA HEALTH SERVICES COMMISSION

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED MARCH 31, 1987

(With 1986 Figures for Comparison)

	1987	1986
	(thousands of dollars)	
Salaries and employee benefits	$ 10,659	$ 10,108
Office equipment	1,924	1,663
Professional services	769	636
Stationery and office supplies	502	522
Postage, express and delivery	392	382
Pension payments (Note 1)	328	291
Grant in lieu of realty taxes	175	167
Health and post-secondary education tax levy	159	151
Telephone	154	144
Maintenance of land, building and office equipment	153	144
Travel	132	117
Utilities	95	94
Bank charges	65	77
Miscellaneous	34	30
Building renovations	31	5
Commissioners' remuneration	7	7
	$ 15,579	$ 14,538

The accompanying notes are an integral part of the financial statements.

MANITOBA HEALTH SERVICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1987

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on an accrual basis of accounting except for the following:

(i) PENSION

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursements made to retired employees. Such payments are charged to expense as incurred. A provision is not made in the accounts to fund current or past service obligations of the Commission to the Civil Service Superannuation Fund. On the basis of an actuarial report, the unfunded provision for the Commission's employees amounted to $13,588,000 as at December 31, 1986 ($11,971,000 as at December 31, 1985).

(ii) THIRD PARTY RECOVERIES

Third party recoveries are recorded on a cash basis.

(iii) INVENTORIES

Purchases of supplies are charged to operating expenditures as incurred. The Commission does not record the value of supplies on hand as an asset.

(iv) LAND, BUILDINGS, FURNITURE AND EQUIPMENT

Land, buildings, furniture and equipment are charged to operating expenditures in the year of acquisition. As at March 31, 1987, the Commission owns the following fixed assets:

1. Land and buildings of the Rehabilitation Centre for Children, Inc.
2. Land on which the building owned by the Manitoba Adolescent Treatment Centre Inc. is located.
3. Land and buildings of the Deer Lodge Centre Inc.
4. Land on which the Rideau Park Personal Care Home Inc., which is under construction, is located.
5. Land on which the new building to be owned by Klinic Inc. is to be located.
6. Diagnostic equipment located in the provincial laboratory and x-ray units throughout the Province.
7. Furniture and equipment located in the administration building.

The Commission is in the process of effecting the transfer of title to its administration building and land to Manitoba Properties Inc. The Commission retains its use of and control over these assets.

NOTE 2. FUNDS HELD IN TRUST RE DEBENTURE TRUST AGREEMENTS

At March 31, these funds were on deposit as follows:

	1987	1986
	(thousands of dollars)	
Bank	$ 17,353	$ 17,174
Government of the Province of Manitoba	3,402	3,171
	$ 20,755	$ 20,345

NOTE 3. CAPITAL FINANCING

Hospitals and personal care homes have obtained financing for capital construction by issuing debentures, or arranging for mortgages or long-term bank loans. The Hospital Capital Financing Authority, which was established in 1972, approves the issue of all securities and assists in obtaining an orderly market for the sale of the securities to finance these capital expenditures. Although this indebtedness is not guaranteed by the Commission, funds required for the payment of principal and interest related to approved capital debt incurred for the construction and acquisition of facilities for the provision of insured services are included in the Commissions's expenditures. For the year ended March 31, 1987, the amount related to principal and interest payments included in the expenditures for hospital and personal care home services shown on Statement B was $57,858,000 ($53,302,000 for the year ended March 31, 1986).

As at March 31, 1987, the approved outstanding capital debt in Canadian dollars of hospitals and personal care homes was $362,102,000 ($297,848,000 as at March 31, 1986).

In addition to the approved outstanding capital debt, lines of credit up to $100,000,000 ($126,505,000 as at March 31, 1986) have been approved to finance capital projects in process. On completion of these projects, the borrowings will be converted to long-term debt.

NOTE 4. LEASE COMMITMENT

Effective November 1, 1985, the Commission entered into a lease purchase agreement for the acquisition of an aircraft for the air ambulance program. The interest rate for the lease is equal to the monthly bank prime rate.

Based on a 10% average monthly prime interest rate, the future annual lease payments will be:

Year Ending March 31	Annual Lease Payments (thousands of dollars)
1988	$ 1,044
1989	1,044
1990	1,044
to October 31, 1990	609
	$ 3,741

Under the terms of the lease, the Commission has the option to purchase the aircraft on November 1, 1990 at a price of $1,217,000, or to continue to lease the aircraft for an additional 16 months at $81,000 per month.

NOTE 5. OTHER HEALTH SERVICES

This group of expenditures consists of:

	1987	1986
	(thousands of dollars)	
Optometric	$ 4,854	$ 4,423
Chiropractic	7,737	7,482
Prosthetic and Orthotic	3,046	2,911
	$ 15,637	$ 14,816

NOTE 6. MANITOBA CHILDREN'S DENTAL PROGRAM

Effective April 1, 1985, the Commission assumed responsibility for processing and payment of claims under the Manitoba Children's Dental Program. The Department of Health is responsible for the establishment of policy for the administration of the program and for providing the Commission with funds for the payment of approved claims.

For the year ended March 31, 1987, the Commission paid claims for approved services amounting to $1,537,000 ($1,482,000 for the year ended March 31, 1986). Of this amount, $1,103,000 ($1,005,000 for the year ended March 31, 1986), was recovered from the Department of Health during the year ended March 31, 1987. The balance of $434,000 is included in accounts receivable - Government of the Province of Manitoba as at March 31, 1987 ($477,000 as at March 31, 1986). These payments and recoveries have been excluded from the statement of revenue and expenditure.

The Commission's direct administrative costs for processing the payment of claims are not recovered from the Department. These costs amounted to approximately $137,000 for the year ended March 31, 1987 ($130,000 for the year ended March 31, 1986).

NOTE 7. MEDICAL SERVICES CLAIMS

The increase in the liability for medical services claims as at March 31, 1987 over the previous year includes $10.8 Million for the medical fee arbitration award. The arbitration award covers the period from April 1, 1986 to March 31, 1987.

Manitoba

THE HORSE RACING COMMISSION

Report of the Provincial Auditor's Office

We have examined the financial statements, being Exhibits A, B, C and D, of The Horse Racing Commission for the year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

As explained in note 3, the Commission has entered into an arrangement with Assiniboia Downs, the Horsemen's Benevolent and Protection Association, Manitoba Region, and the Canadian Thoroughbred Horse Society, Manitoba Division, whereby Assiniboia Downs has agreed to make certain capital improvements to the racetrack. In exchange, the Commission has agreed to forgive accounts receivable of $47,653 upon satisfactory completion of the capital improvements. The Commission retains the right to collect the receivable in the event that the capital improvements are not satisfactorily made by October 1, 1987. In our view, the nature of the arrangements is that of a conditional grant which will be recoverable only if the capital improvements are not completed as intended. This transaction should be disclosed as a conditional grant in the Statement of Revenue and Expenditure. The effect of the disclosure of this item as a receivable is to overstate assets and the reserve for future costs by $47,653 as at March 31, 1987 and to understate the excess of expenditures over revenue by $47,653 for the year ended March 31, 1987.

In our opinion, except for the effect of the matter described in the preceding paragraph, these financial statements present fairly the financial position of the Commission as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

May 15, 1987,
Winnipeg, Manitoba.

Exhibit A

THE HORSE RACING COMMISSION

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

	1987	1986
Current assets:		
Cash on hand and in bank	$ 216,437	$ 64,734
Accounts receivable arising from 1982 temporary track closure (Note 3)	47,653	47,653
Grant receivable - Government of the Province of Manitoba	12,500	24,056
Prepaid expenses	405	1,696
	$ 276,995	$ 138,139

LIABILITIES

	1987	1986
Current liabilities:		
Accounts payable and accrued liabilities	$ 28,961	$ 31,526
Advance - Government of the Province of Manitoba	180,000	35,000
Deferred revenue	12,060	8,940
	221,021	75,466
Reserve for future costs, Exhibit C	55,903	3,500
Funds available for future operations, Exhibit C	71	59,173
	$ 276,995	$ 138,139

Exhibit B

THE HORSE RACING COMMISSION

Statement of Revenue and Expenditure
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Grant from the Government of the Province of Manitoba	$ 434,018	$ 290,000
Fees, licenses and fines (Note 4)	143,895	142,052
Interest	12,178	11,790
Sundry	284	1,496
	590,375	445,338
Expenditure:		
Advertising and promotion	3,567	720
Building renovations	713	-
Commissioners' per diem and honoraria	45,125	25,044
Employee benefits	23,288	17,542
Equipment and office furniture	573	9,133
Equipment rentals	9,830	12,732
Health and post secondary education tax levy	4,897	5,039
Hearings and appeals	10,353	11,335
Identification supplies	20,910	8,148
Memberships and dues	5,315	4,717
Office	9,024	12,349
Professional fees	40,153	27,359
Recruiting costs	4,767	4,626
Repairs and maintenance	10,072	7,767
Research grant	5,000	5,000
Salaries:		
Administration	107,366	114,029
Security	12,419	4,335
Stewards and judges	185,109	168,251
Veterinarian services	58,884	61,699
Sundry	138	22
Telephone	6,630	7,506
Training costs - salary and travel	-	18,250
Travel	32,941	14,724
	597,074	540,327
Revenue under expenditure, Exhibit C	$ 6,699	$ 94,989

Exhibit C

THE HORSE RACING COMMISSION

Statement of Reserve and Funds Available For Future Operations
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Reserve For Future Costs		
Balance, beginning of year	$ 3,500	$ -
Less, transferred to funds available for future operations	(3,500)	-
Add, appropriated from funds available for future operations	55,903	3,500
Balance, end of year, Exhibit A	$ 55,903	$ 3,500
Funds Available For Future Operations		
Balance, beginning of year	$ 59,173	$ 157,662
Add, transferred from reserve for future costs	3,500	-
	62,673	157,662
Less, excess of expenditure over revenue, Exhibit B	6,699	94,989
Appropriated to reserve for future costs	55,903	3,500
	62,602	98,489
Balance, end of year, Exhibit A	$ 71	$ 59,173

Exhibit D

THE HORSE RACING COMMISSION

Statement of Government Grant Receipts and Disbursements
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Grant received from the Government of the Province of Manitoba	$ 4,383,830	$ 4,388,743
Grants disbursed:		
Thoroughbred		
Overnight purse support	2,600,471	2,589,161
Owners/Breeders incentive	556,055	595,405
C.T.H.S. administrative grant	35,000	35,000
Standardbred		
Overnight purse support	622,983	639,965
Owners/Breeders incentive	297,339	288,334
M.S.S. & B.A. administrative grant	10,000	10,000
Standardbred rural		
Overnight purse support	149,625	120,588
Owners/Breeders incentive	62,900	63,900
Stakes program	20,000	20,000
Capital grants	19,957	29,351
Quarter horse		
Overnight purse support	5,500	8,100
Stakes program	4,000	2,000
	4,383,830	4,401,804
Disbursements over receipts	-	13,061
Undistributed grants - beginning of year	-	13,061
Undistributed grants - end of year	$ -	$ -

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 1987

1. Nature of the operations

The objectives of the Commission are to govern, direct, control and regulate horse racing and the operations of horse race tracks in Manitoba. In addition, the Commission acts as a conduit for support grants between the Government of the Province of Manitoba and the horse racing industry.

The operating expenses of the Commission in excess of revenue derived from its regulatory activities are funded through an appropriation of the Government of the Province of Manitoba. Consequently, the Commission will not experience an operating deficit. Administrative grant monies drawn down in excess of actual expenses are retained by the Commission as "funds available for future operations". However, such funds available for future operations reduce subsequent administrative grant requirements.

2. Significant accounting policies

An accrual basis of accounting is followed except for:

i) Capitalization and depreciation

The costs of building renovations, purchases of equipment and office furniture, are charged directly to operations. Accordingly depreciation is not provided for in the accounts.

ii) Pension liability and expense

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursement made to retired employees. Such payments are to be charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $95,760 as at December 31, 1986 ($73,517 - December 31, 1985).

iii) Support grants

Support grants are recorded on a cash basis and are reflected separately (Exhibit D) from the general administrative activities of the Commission.

3. Accounts receivable arising from 1982 temporary track closure

An agreement dated July 21, 1982 between the Horsemen's Benevolent and Protective Association (H.P.B.A.), the Canadian Thoroughbred Horse Society (C.T.H.S.) and The Horse Racing Commission provided for the payment of amounts owing to individual horsemen as a result of the default by Assiniboia Downs 1981 Ltd. In addition a letter of understanding dated August 7, 1982 from the H.P.B.A. provided that the H.P.B.A. would reimburse the Commission for the 1982 purse overpayments incurred by Winnipeg Racing Ltd., which were paid by the Commission. The July 21, 1982 agreement further provided that surplus funds of Winnipeg Racing Ltd. would reduce the amount owing to the Commission. The original amount receivable of $277,589 was reduced by payments from these organizations to $47,653 as at March 31, 1986.

During the year ended March 31, 1987 the Commission negotiated an arrangement with Assiniboia Downs and the Horsemen's groups whereby the Commission would forgive the balance receivable of $47,653 upon satisfactory completion of certain capital improvements in the backstretch by October 1, 1987 which would benefit all horsemen. The Commission appropriated a reserve of $47,653 from funds available for future operations to reflect this arrangement.

However, the Commission has not abandoned its rights to recover the balance receivable in the event that the arrangement made with the Assiniboia Downs and the Horsemen's groups is not satisfactorily completed.

4. Fees, licences and fines

	1987	1986
Thoroughbred		
Daily licences	$ 33,000	$ 32,400
Fees and licences	52,135	52,177
Fines	5,390	4,015
	90,525	88,592
Standardbred		
Daily licences	28,200	28,650
Fees and licences	10,980	12,685
Fines	14,190	12,125
	53,370	53,460
	$ 143,895	$ 142,052

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 1987

5. Contingent liabilities

The Manitoba Court of Appeal ruled in favour of the Commission with respect to two legal matters. One of the respondents has applied to The Supreme Court of Canada for leave to appeal the decision of The Manitoba Court of Appeal and the other respondent has indicated an intention to apply for leave to appeal. The Commission has instructed its legal counsel to oppose any applications for leave to appeal. The Commission has recorded a provision of $8,250 in the Reserve for Future Costs to provide for legal costs which may be associated with these actions.

Manitoba

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedules 1 and 2, of The Manitoba Hospital Capital Financing Authority for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Hospital Capital Financing Authority as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincal Auditor.

November 26, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
ASSETS		
Current assets:		
Accrued interest	$ 179,446	$ 194,938
Investments, at cost, Schedule 1	4,249,500	4,645,500
	$ 4,428,946	$ 4,840,438
LIABILITIES		
Current liabilities:		
Accrued debenture interest	$ 179,446	$ 194,938
Debentures payable, Schedule 2	4,249,500	4,645,500
	$ 4,428,946	$ 4,840,438

Exhibit B

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Statement of Income and Expenditure
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Income:		
Interest earned on investments	$ 524,332	$ 571,471
Expenditure:		
Debenture interest	524,332	571,471
Excess of income over expenditure	$ -	$ -

Schedule 1

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Schedule of Investments
as at March 31, 1987
(with 1986 figures for comparison)

	Interest Rate (%)	1987	1986
Serial debentures issued by:			
Personal Care Homes	9.50	$ 45,000	$ 67,500
	9.75	81,000	121,500
	10.00	764,000	775,500
Selkirk Linen Services Inc.	11.125	922,500	1,025,000
	13.625	727,000	769,000
	15.75	430,000	492,000
West - Manitoba Regional Laboratory Services Inc.	9.75	170,000	255,000
	10.00	850,000	850,000
Parkland Regional Hospital Laundry Ltd.	15.75	260,000	290,000
Investments, Exhibit A		$ 4,249,500	$ 4,645,500

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Schedule of Debentures Payable
as at March 31, 1987
(with 1986 figures for comparison)

Series Number	Interest Rate (%)	Year of Maturity	1987	1986
1A	11.125	1987-1995	$ 922,500	$ 1,025,000
2A	10.00	1987-1998	138,000	149,500
3A	9.50	1987-1988	45,000	67,500
3B	10.00	1989-1998	225,000	225,000
3D	9.75	1987-1988	251,000	376,500
3E	10.00	1989-1998	1,251,000	1,251,000
4A	15.75	1987-1993	430,000	492,000
4B	15.75	1987-1995	260,000	290,000
5A	13.625	1987-2004	727,000	769,000
Debentures payable, Exhibit A			$ 4,249,500	$ 4,645,500

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Notes to Financial Statements
March 31, 1987

1. Nature of the Authority

The Manitoba Hospital Capital Financing Authority was established by The Hospital Capital Financing Authority Act in June 1972. The objectives of the Authority are:

i) to approve the issuance of securities for capital expenditure by operators of health care facilities,

ii) to assist such operators by ensuring an orderly market for the sale of securities issued by health care facilities,

iii) to purchase securities issued by health care facilities with money borrowed by the Authority.

Health care facilities include hospitals, non-profit personal care homes and other designated related service institutions.

2. Accounting Policy

The Authority uses the accrual basis of accounting.

3. Investment and Debentures Payable

The Authority's investments in various health facility debentures are entirely offset by debentures issued by the Authority to Government Agencies which do not qualify to purchase the health facility debentures directly.

4. Financing Approvals

During the fiscal years ended March 31, 1986 and 1987 no securities were issued.

5. Services Provided by the Province

The Government of the Province of Manitoba provides administrative services at no charge to the Authority.

Manitoba

THE MANITOBA HOUSING AND RENEWAL CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Manitoba Housing and Renewal Corporation as at March 31, 1987, and the statements of operations, The Manitoba Housing and Renewal Fund and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1987, and the results of its operations and the changes in its financial position for the year then ended, in accordance with the accounting principles described in note 2 to the financial statements applied, except for the change in the method of valuing purchased land held for future development or sale as explained in note 3, on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, CA
Provincial Auditor's Office

January 29, 1988
Winnipeg, Manitoba

THE MANITOBA HOUSING AND RENEWAL CORPORATION
BALANCE SHEET
MARCH 31, 1987
(with comparative figures for 1986)

ASSETS

	1987	1986
Current assets:		
Cash on deposit with the Minister of Finance and in bank	$ 15,466,528	$ 8,440,030
Accounts receivable and accruals (note 4)	12,128,155	11,430,250
	27,594,683	19,870,280
Loans and mortgages receivable (note 5)	112,669,237	91,928,999
Investment in land and housing:		
Housing projects (note 6)	332,254,383	307,233,926
Housing investment (note 7)	11,096,943	11,283,342
Land inventory (note 8)	30,299,502	53,087,003
Renewal schemes (note 9)	148,171	224,370
	373,798,999	371,828,741
Corporate fixed assets (note 10)	452,432	482,403
	$514,515,351	$484,110,323

LIABILITIES AND FUND BALANCE

	1987	1986
Current liabilities:		
Accounts payable, holdbacks and accruals	$ 18,451,446	$ 20,217,326
Long-term land lease and rental subsidies received in advance (note 11)	217,205	221,026
Long-term debt (note 12)	495,606,767	453,719,016
	514,275,418	474,157,368
Fund balance:		
The Manitoba Housing and Renewal Fund	239,933	9,952,955
	$514,515,351	$484,110,323

(see accompanying notes)

MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 1987
(With comparative figures for 1986)

	1987	1986
Revenue:		
Grants from the Government of the Province of Manitoba (note 14)	$25,046,751	$23,964,072
Interest from sinking fund and funds held by the Minister of Finance (note 13)	2,060,665	1,295,377
Churchill Propane Distribution System, net proceeds	277,718	252,466
Other	14,774	27,466
	27,399,908	25,539,381
Expenditure: (note 1)		
Interest on demand notes	19,240,317	15,722,488
Less - Interest applied to construction of housing projects, land inventory and housing program subsidies	8,045,678	5,978,430
- Interest earned on loans and mortgages	10,473,389	9,126,483
Interest on demand notes not applied or recovered	721,250	617,575
Rent Supplement Program:		
Rent supplement and administration expenditures	2,878,398	3,174,763
Less - recovery from Canada Mortgage and Housing Corporation	1,193,692	1,488,966
Net program subsidies	1,684,706	1,685,797
Urban and Rural Housing Programs, per schedule	14,601,102	14,741,367
Non-Profit Housing Program, per schedule	1,148,037	847,780
Rural and Northern Housing Program, per schedule	3,503,969	2,628,450
Critical Home Repair Program (note 15)	707,406	831,539
Co-op Homestart Program Assistance	118,845	
Mortgage subsidies	146,935	148,463
Non-profit Housing Corporations:		
Interest	224,655	199,260
Loan forgiveness (note 2c)	64,188	48,120
Depreciation of corporate fixed assets (note 10)	32,407	93,200
Provision for loss on land (note 8)		1,139,823
Net loss on housing projects and land sales	262,781	991,547
Amortization of renewal schemes	72,317	88,215
	23,288,598	24,061,136
Excess of revenue over expenditure, before extraordinary item	4,111,310	1,478,245
Extraordinary item (revaluation of land) (note 3)	13,824,332	
Excess of expenditure over (under) revenue, transferred to The Manitoba Housing and Renewal Fund	$ 9,713,022	$(1,478,245)

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF THE MANITOBA HOUSING AND RENEWAL FUND
YEAR ENDED MARCH 31, 1987
(With comparative figures for 1986)

	1987	1986
Sinking Fund Account:		
Balance at beginning of year	$11,527,033	$ 9,664,899
Add - transfer from General Fund Account		1,862,134
Less - transfer to General Fund Account	11,527,033	
Balance at end of year		11,527,033
General Fund Account:		
Balance at beginning of year	(1,574,078)	2,141,851
Less - adjustment to reflect change in accounting policies		3,332,040
Balance as restated	(1,574,078)	(1,190,189)
Add - excess of expenditure (over) under revenue	(9,713,022)	1,478,245
- balance of Sinking Fund Account	11,527,033	
	239,933	288,056
Less - net transfer to Sinking Fund Account		1,862,134
Balance at end of year	239,933	(1,574,078)
The Manitoba Housing and Renewal Fund	$ 239,933	$ 9,952,955

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED MARCH 31, 1987
(With comparative figures for 1986)

	1987	1986
Cash provided by (used for):		
Operating activities:		
Excess of expenditure (over) under revenue	$ (9,713,022)	$ 1,478,245
Items not involving cash		
Depreciation and amortization	2,054,249	1,931,542
Loan forgiveness	486,113	600,551
Provision for loss on land		1,139,823
Extraordinary item (note 3)	13,824,332	
	6,651,672	5,150,161
Net change in non-cash working capital balances related to operations	(2,463,785)	488,766
	4,187,887	5,638,927
Financing activities:		
Increase in long-term debt	78,628,970	63,690,632
Repayment of long-term debt	(24,015,294)	(15,019,161)
	54,613,676	48,671,471
Investing activities:		
Additions to land and housing	(42,809,975)	(44,794,888)
Less - recovery of CMHC share	3,558,841	5,756,582
	(39,251,134)	(39,038,306)
Additions to loans and mortgages	(40,423,915)	(24,088,198)
Net proceeds from disposal of land and housing	8,977,064	3,444,980
Net proceeds from repayment of loans and mortgages	18,922,920	9,675,282
	(51,775,065)	(50,006,242)
Increase in cash	7,026,498	4,304,156
Cash at beginning of period	8,440,030	4,135,874
Cash at end of period	$ 15,466,528	$ 8,440,030

THE MANITOBA HOUSING AND RENEWAL CORPORATION
SCHEDULE OF HOUSING PROGRAM SUBSIDIES
YEAR ENDED MARCH 31, 1987
(with comparative figures for 1986)

	1987	1986
Urban and Rural Housing Programs:		
Rental revenue	$34,295,380	$34,092,583
Expenditure:		
Property operating expenses	24,336,450	23,720,449
Grants in lieu of Municipal taxes	11,002,616	10,624,657
Administration	3,767,327	3,620,922
Depreciation and interest	23,292,759	23,369,204
	62,399,152	61,335,232
Operating Loss	28,103,772	27,242,649
Less - Canada Mortgage and Housing Corporation share of operating loss	13,502,670	12,501,282
Net program subsidies	$14,601,102	$14,741,367
Non-Profit Housing Program:		
Rental revenue	$ 2,594,222	$1,269,738
Expenditure:		
Property operating expenses	1,182,283	861,992
Grants in lieu of Municipal taxes	838,372	415,801
Administration	260,235	106,274
Depreciation and interest	5,255,771	2,896,701
	7,536,661	4,280,768
Operating Loss	4,942,439	3,011,030
Less - Canada Mortgage and Housing Corporation share of operating loss	3,794,402	2,163,250
Net program subsidies	$ 1,148,037	$ 847,780
Rural and Northern Housing Program:		
MHRC administered units:		
Rental revenue	$ 1,874,491	$ 1,843,592
Expenditure:		
Property operating expenses	1,099,993	1,123,764
Grants in lieu of Municipal taxes	349,856	357,472
Administration	418,703	463,983
Depreciation and interest	6,145,715	4,628,050
	8,014,267	6,573,269
Operating Loss	6,139,776	4,729,677
Less - Canada Mortgage and Housing Corporation share of operating loss	4,513,371	3,547,259
	1,626,405	1,182,418
CMHC administered units:		
MHRC share of operating loss	1,877,564	1,446,032
Net program subsidies	$ 3,503,969	$ 2,628,450

THE MANITOBA HOUSING AND RENEWAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1987

1. Nature of the Corporation

The Manitoba Housing and Renewal Corporation (MHRC) was established as a Crown corporation by The Housing and Renewal Corporation Act on June 21, 1967. The objective of the Corporation is to improve standards of living accommodation in the Province of Manitoba and to assist residents to obtain living accommodation of reasonable standards.

Administrative services are provided by the Department of Housing, Province of Manitoba. Costs of these administrative services are not reflected in these financial statements except for administrative charges which are cost shared with the Canada Mortgage and Housing Corporation (CMHC).

The Corporation is economically dependent on the Government of the Province of Manitoba.

2. Significant accounting policies

a) The Corporation's financial statements are prepared using the accrual basis of accounting except for the discounts on sinking fund investments. Discounts obtained at the time of acquisition are taken into income on maturity of the related investments which are recorded at cost.

2. Significant accounting policies (continued)

b) Loan forgiveness under the Critical Home Repair Program is approved in accordance with the terms of the loan agreement and charged to operations in the year that the forgiveness is allowed.

c) The Corporation participates in a CMHC administered program for non-profit housing corporations. Payments are issued as forgiveable loans which are reflected as loans and mortgages receivable. During the year forgiveable loans in the amount of $37,960 (1986 - $562,413) were issued. The forgiveness conditions require that the project operate under CMHC guidelines throughout the term of the related operating agreement. Loan forgiveness is earned by the non-profit corporations in equal annual amounts over the period of the related operating agreements and is recognized as an operating expenditure on the annual anniversary date of each operating agreement. During the year forgiveness in the amount of $64,188 (1986 - $48,120) was earned by the recipient corporations.

d) Valuation, depreciation and amortization are described in subsequent notes as follows:

Housing projects	- note 6
Housing investments	- note 7
Land inventory	- note 8
Renewal schemes	- note 9
Corporate fixed assets	- note 10

3. Change in accounting policy

The Corporation prospectively changed its accounting policy during the year ended March 31, 1987 for valuing purchased property included with land held for future development or sale.

The Corporation initiated a series of appraisals and reviews of these lands. These land asset values, previously valued at capitalized cost, are now valued at the lower of capitalized cost or appraised value as at March 31, 1987. The comparative data presented for the prior year has not been restated to reflect this change. The effect of this change has been to increase the excess of expenditure over revenue and to decrease the balance of the Manitoba Housing and Renewal Fund, by $26,550,257.

Concurrently with this land revaluation by the Corporation, the Government of the Province of Manitoba forgave $12,725,925 of the Corporation's indebtedness associated with land valuation. The change in accounting policy, together with the concurrent forgiveness of the Corporation's indebtedness, resulted in an extraordinary adjustment of $13,824.332.

4. Accounts receivable and accruals

	1987	1986
Canada Mortgage & Housing Corporation	$ 6,434,436	$ 7,736,520
Government of the Province of Manitoba and its agencies	2,425,138	626,624
Other - net of allowance (1987 - $192,816, 1986 - $202,603)	3,268,581	3,067,106
Accounts receivable and accruals	$ 12,128,155	$11,430,250

5. Loans and mortgages receivable

	1987	1986
Rural and Northern Housing Program	$ 6,523,357	$7,216,889
Less - financing provided by CMHC	4,871,240	5,384,127
	1,652,117	1,832,762
Critical Home Repair Program:		
- recoverable loans	1,217,622	1,214,609
- forgiveable loans (note 2b)	1,233,354	1,364,261
The Pas Mobile Home Subdivision	173,530	214,276
Manitoba RentalStart Programs:		
Manitoba Urban RentalStart Program	25,323,275	12,106,663
Manitoba Rural RentalStart Program	854,251	
Manitoba Seniors RentalStart Program	240,492	
	26,418,018	12,106,663
Homes in Manitoba Programs:		
Affordable New Homes Program	50,466,058	62,136,020
Core Area Infill Housing Program	5,411,705	2,731,881
Buy and Renovate Housing Program	3,186,824	3,226,375
Builder Developer Housing Program	1,155,693	1,705,688
	60,220,280	69,799,964
Urban Native Non-Profit Housing Program	7,715,641	
Private Non-Profit Housing Program	290,185	
Aspen Park Condominium Conversion	1,443,624	
Lease/purchase land agreements	2,274,935	2,411,902
Non-profit housing corporations forgiveable loans (note 2c)	2,172,201	2,198,429
Cooperative HomeStart Program	3,580,406	352,466
Community Residences Program	4,262,913	420,263
Other	14,411	13,404
Loans and mortgages receivable	$112,669,237	$91,928,999

5. Loans and mortgages receivable (continued)

Mortgages under the Homes in Manitoba Program are administered by both outside lending institutions and by MHRC. Those administered by outside lending institutions, amounting to $49,851,842 (1986 - $61,109,786), are insured by CMHC or the Mortgage Insurance Company of Canada. Those administered by MHRC, amounting to $10,368,438 (1986 - $8,690,178), and Aspen Park Condominium Conversion are assessed a fee which is set aside in a fund to provide for any related expenses in the event of default by a mortgagor. This fund is included with accounts payable and is summarized as follows:

	1987	1986
Balance at beginning of year	$144,314	$ 92,887
Add - insurance fees assessed and interest	38,640	51,427
Balance at end of year	$182,954	$144,314

6. Housing projects

	1987	1986
Rural and Northern Housing Program:		
Completed - for rent	$ 26,233,877	$ 22,098,431
- for sale	6,336,275	6,361,562
Under construction	896,034	1,245,999
Upgrading program - deferred capital costs	305,365	470,130
	33,771,551	30,176,122
Less - financing provided by CMHC	25,270,837	22,573,544
	8,500,714	7,602,578
Other Urban and Rural Housing Programs:		
Completed	314,529,817	284,053,972
Under construction	9,223,852	15,577,376
	323,753,669	299,631,348
Housing projects	$332,254,383	$307,233,926

Completed housing projects are valued at capitalized cost less depreciation.

Projects under construction are valued at capitalized cost which includes direct construction costs, land acquisition, interest, grants in lieu of taxes and an administrative fee charged by the Department of Housing, Province of Manitoba.

6. Housing projects (continued)

The upgrading program relates to rehabilitation costs incurred on rental units and these costs are being depreciated on a straight-line basis over the remaining term of the original mortgage.

Under the Rural and Northern Housing Program depreciation is based on the imputed principal repayment equivalent to that of 100% debt financing with CMHC rates. Depreciation under other urban and rural housing programs is based on the actual principal repayment of the related debt.

Depreciation on housing projects is included as an expenditure in housing program subsidies.

7. Housing investment

Housing investment represents joint venture projects under the Rural and Northern Housing Program which are being administered by CMHC. The investment balance represents MHRC's share and is valued at capitalized cost less depreciation which is equal to the annual principal repayment of the related debt as determined by CMHC. Depreciation is included as an expenditure in the Rural and Northern Housing Program.

8. Land inventory

	1987		1986	
	COST	ACCUMULATED LOSS PROV.	COST	ACCUMULATED LOSS PROV.
Under development	$ 9,000,816	$ 6,234,545	$11,840,682	$8,068,679
Future development or sale	52,651,460	26,941,957	48,098,152	633,700
Leased land	1,823,728		1,850,548	
	63,476,004	$33,176,502	61,789,382	$8,702,379
Accumulated loss provision	33,176,502		8,702,379	
Land inventory, net	$30,299,502		$53,087,003	

The net change to the accumulated loss provision is as follows:

	1987	1986
Under development		$1,103,823
Future development or sale		36,000
Provision for loss on land		1,139,823
Revaluation of land (note 3)	$26,550,257	
Less - losses realized	2,076,134	976,400
Net change to accumulated loss provision	$24,474,123	$ 163,423

Land inventory is valued at capitalized cost less accumulated provision for losses on land under development and on land held for future development or sale. Capitalized cost includes aquisition costs, interest, planning and development costs, grants in lieu of taxes where applicable, less revenue derived from use of undeveloped land.

9. Renewal schemes

Renewal schemes are valued at cost less amortization. Amortization is based on the actual principal repayment of the related debt.

10. Corporate fixed assets

	1987			1986
	COST	ACCUMULATED DEPRECIATION	NET	NET
Land	$ 71,900	$	$ 71,900	$ 71,900
Buildings	357,337	84,292	273,045	276,145
Office furnishings	500,251	393,959	106,292	132,864
Construction equipment	20,607	19,412	1,195	1,494
Corporate fixed assets	$950,095	$497,663	$452,432	$482,403

Corporate fixed assets are valued at cost less depreciation provided on the following bases:

> Buildings - straight-line based on a 50 year useful life or if funded by specific long-term debt based on the annual principal repayment of the related debt, amortized over 50 years.
>
> Office furnishings and construction equipment - 20% of the undepreciated balance.

Depreciation in the amount of $32,407 (1986 - $93,200) is reflected as a separate corporate expenditure and depreciation in the amount of $1,995 (1986 - $112,980) is included as an expenditure in the urban and rural housing programs.

11. Long-term land lease and rental subsidies received in advance

	1987	1986
Long-term land lease prepaid, expiring in 2039	$ 80,897	$ 82,436
Long-term rental subsidies received in advance from sponsors	136,308	138,590
Long-term land lease and rental subsidies	$217,205	$221,026

12. Long-term debt

	1987	1986
Government of the Province of Manitoba:		
Demand notes payable (convertible to long-term advances), at prime interest rates or fixed rates from 8 3/4% to 14%	$167,666,270	$147,598,188
Long-term advances, at rates from 8.28% to 14.50% maturing at various dates to 2029 and requiring annual payments of $12,112,736 towards principal and interest	106,270,398	80,910,587
Canada Mortgage and Housing Corporation:		
Long-term advances - housing and land, at rates from 7% to 11% maturing at various dates to 2030 and requiring annual payments of $22,625,528 towards principal and interest	230,595,128	231,486,959
- renewal schemes, at rates from 6 3/8% to 8 1/4% maturing at various dates to 1989 and requiring annual payments of $112,333 towards principal and interest	148,171	223,627
	504,679,967	460,219,361
Less: Sinking fund on deposit with the Government of the Province of Manitoba (note 13)	14,065,639	11,527,033
	490,614,328	448,692,328
Mortgages payable (assumed on property acquisitions), at rates from 5 1/8% to 14 1/4% maturing at various dates to 2028 and requiring annual payments of $484,574 towards principal and interest	4,992,439	5,026,688
Long-term debt	$495,606,767	$453,719,016

13. Sinking fund

	1987		1986	
	PAR VALUE	COST	PAR VALUE	COST
Bonds: (note 2a)				
Manitoba Hydro - Electric Board	$ 6,604,000	$ 5,140,444	$ 5,972,000	$ 4,460,645
Manitoba Telephone System	1,422,000	1,005,715	1,605,000	1,140,547
Government of the Province of Manitoba	2,486,000	2,445,619	2,496,000	2,455,569
	$10,512,000	8,591,778	$10,073,000	8,056,761
Cash, interest bearing		5,473,861		3,470,272
Sinking fund		$14,065,639		$11,527,033

MHRC is required to maintain a sinking fund on deposit with the Minister of Finance for the purpose of retiring at maturity, long-term debt which does not require annual principal repayments. The required minimum annual payment to the sinking fund must equal 4% of the sinking fund balance as at the end of the preceding fiscal year plus 1% of the advances and borrowings of MHRC other than those secured by a first mortgage on land or by an agreement or debenture that provides for the retirement of the debt by annual repayments of principal and interest. Income earned on sinking fund investments (1987 - $1,213,187, 1986 - $996,349) is paid to MHRC and all or a portion of the income earned (1987-$1,213,187, 1986-$777,491) is set aside in the sinking fund in addition to the minimum statutory requirement.

5

14. Grants from the Government of the Province of Manitoba

	1987	1986
Department of Housing:		
- MHRC operating programs	$23,620,751	$23,010,072
- Sinking fund	1,426,000	954,000
Grant Revenue	$25,046,751	$23,964,072

15. Critical Home Repair Program

	1987	1986
Loan forgiveness (note 2b)	$ 486,113	$ 600,551
Interest allocated	278,190	315,201
Interest earned	(106,648)	(103,037)
Other	49,751	18,824
	$ 707,406	$ 831,539

16. Commitments

The Corporation is committed to expend $80,913,271 for completion of housing under construction and for approved mortgage applications.

17. Guarantees

The Corporation has guaranteed the repayment of mortgages and has issued Letters of Credit guaranteeing the terms and conditions of land development agreements and construction contracts. The outstanding guarantees are as follows:

	1987	1986
Mobile Home Loan Guarantee Program	$9,048,799	$5,888,803
Rural Mortgage Lending Program	207,649	224,231
Other mortgage guarantees	296,500	132,500
Letters Of Credit	445,240	489,853
Total Guarantees	$9,998,188	$6,735,387

A guarantee fee of 2% charged for each mortgage is paid into the Mortgage Insurance Fund. This fund is included with accounts payable and is summarized as follows:

	1987	1986
Balance at beginning of year	$ 82,518	$112,572
Add - net proceeds from claim settlements	27,095	50,439
- insurance fees assessed	119,949	
- interest on cash	11,655	5,473
	$241,217	168,484
Less - mortgage settlements paid		85,966
- other (taxes)	789	
Balance at end of year	$240,428	$ 82,518

18. Comparative figures

Certain comparative figures on the financial statements have been restated to conform with the presentation of the current year.

The Manitoba Hydro-Electric Board

AUDITORS' REPORT

We have examined the balance sheet of The Manitoba Hydro-Electric Board as at March 31, 1987 and the statements of operations, reserves and changes in cash resources for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1987, and the results of its operations and the changes in its cash resources for the year then ended in accordance with the accounting principles set out in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Peat Marwick

CHARTERED ACCOUNTANTS

Winnipeg, Canada
June 12, 1987

The Manitoba Hydro-Electric Board

Balance Sheet

AS AT MARCH 31, 1987 (with 1986 figures for comparison)

ASSETS	1987	1986
	(thousands of dollars)	
ELECTRIC UTILITY PLANT (Note 3)		
In service	$3 395 825	$3 314 378
Less: Accumulated depreciation	854 833	783 776
	2 540 992	2 530 602
Construction in progress	473 655	326 005
	3 014 647	2 856 607
CURRENT ASSETS		
Temporary investments	19 000	48 649
Accounts receivable	71 477	75 024
Accrued revenue	15 541	19 077
Interest receivable and accrued	11 690	11 762
Materials and supplies (at average cost)	29 514	30 228
Prepaid expenses	1 395	1 413
	148 617	186 153
OTHER ASSETS		
Investments (at cost)	1 931	1 988
Deferred charges and advances (Note 4)	74 933	84 507
	76 864	86 495
	$3 240 128	$3 129 255

Approved on behalf of the Board:

M. Eliesen

Chairperson

Vice-Chairperson

LIABILITIES AND RESERVES	1987	1986
	(thousands of dollars)	
LONG-TERM DEBT (Note 5)	**$2 652 128**	$2 523 786
CURRENT LIABILITIES		
Bank balances	**3 801**	12 238
Accounts payable and accrued liabilities	**57 772**	53 334
Notes payable (due within one year)	**44 510**	152 278
Contract holdbacks	**5 787**	3 663
Accrued interest	**90 442**	89 268
Current portion of long-term debt (Note 5)	**153 126**	78 574
	355 438	389 355
DEFERRED LIABILITIES	**18 843**	16 750
DEFERRED CREDITS (Note 6)	**76 412**	75 505
RESERVES (Note 7)	**137 307**	123 859
	$3 240 128	$3 129 255

The accompanying notes are an integral part of the financial statements.

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 1987 (with 1986 figures for comparison)

	1987	1986
	(thousands of dollars)	
REVENUES		
Sale of power		
Manitoba	$449 271	$432 937
Extraprovincial	113 489	112 846
Other revenue	6 928	6 820
	569 688	552 603
EXPENSES		
Operating and administrative	187 941	173 866
Depreciation—plant	77 683	74 470
Water rentals	37 582	17 850
Fuel and power purchased	10 460	9 399
	313 666	275 585
Net income before finance expense	256 022	277 018
FINANCE EXPENSE (Note 2)	242 574	246 753
NET INCOME TRANSFERRED TO RESERVES	$ 13 448	$ 30 265

The accompanying notes are an integral part of the financial statements.

The Manitoba Hydro-Electric Board

Statement of Reserves

FOR THE YEAR ENDED MARCH 31, 1987 (with 1986 figures for comparison)

			1987	1986
			(thousands of dollars)	
	Contingency and General	Rate Stabilization	Total	Total
BALANCE—BEGINNING OF YEAR	$123 829	$30	$123 859	$93 594
Net income transferred from operations	13 448	—	13 448	30 265
BALANCE—END OF YEAR	$137 277	$30	$137 307	$123 859

The accompanying notes are an integral part of the financial statements.

The Manitoba Hydro-Electric Board

Statement of Changes in Cash Resources

FOR THE YEAR ENDED MARCH 31, 1987 (with 1986 figures for comparison)

	1987	1986
	(thousands of dollars)	
OPERATING ACTIVITIES		
Cash from operations		
Net income	$ 13 448	$ 30 265
Depreciation—plant	77 683	74 470
Amortization of debt discount and expense	4 489	3 688
Other	446	(585)
Non-cash working capital change (see below)	15 623	(5 099)
Cash and cash equivalents provided by operating activities	111 689	102 739
FINANCING ACTIVITIES		
Retirement of long-term debt	(107 663)	(200 149)
Sinking fund withdrawals	14 891	29 478
Proceeds from long-term debt	334 454	389 521
Discount on long-term debt	(3 741)	(9 507)
Contributions and advances in aid of construction, less refunds	10 429	12 642
Decrease in notes payable	(107 768)	(26 581)
Sinking fund payment	(42 055)	(39 698)
Deferred cost of matured forward exchange contracts	10 725	(3 161)
Other	(4 430)	(2 439)
Cash and cash equivalents provided by financing activities	104 842	150 106
INVESTING ACTIVITIES		
Additions to electric utility plant	(237 800)	(202 039)
Other	57	12
Cash and cash equivalents used in investing activities	(237 743)	(202 027)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(21 212)	50 818
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	36 411	(14 407)
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 15 199	$ 36 411
Non-cash working capital change		
Accounts receivable	$ 3 547	$ (18 722)
Accounts payable and accrued liabilities	4 438	16 898
Accrued revenue	3 536	(1 305)
Materials and supplies	714	(2 515)
Other	3 388	545
	$ 15 623	$ (5 099)

The components of cash and cash equivalents are bank balances and temporary investments.

The accompanying notes are an integral part of the financial statements.

The Manitoba Hydro-Electric Board

Notes to the Financial Statements
FOR THE YEAR ENDED MARCH 31, 1987

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles except for the accounting for pension costs as noted in d) below.

a) Electric Utility Plant

The electric utility plant is stated at cost which consists of contracted services, direct labour, material and expense, a proportionate share of overhead costs and interest applied at the effective rates incurred in financing construction. Finance expense is allocated to construction until a facility becomes operational or a decision is made to abandon, cancel or indefinitely defer construction. The cost of plant removed plus removal costs less salvage value is charged to accumulated depreciation.

Main facilities of major projects under construction become operational on a progressive basis. As such facilities become operational, related construction costs and a pro rata share of related common properties are transferred to plant in service. Once the transfer to plant in service is made, finance expense allocated to construction ceases and depreciation commences.

Depreciation is provided on a straight line basis using the following service lives for major assets:

Hydro-electric generation	67 years
Thermal-electric generation	33 years
Transmission lines and stations	35-50 years
Distribution lines	30-35 years

Depreciation of the transportation fleet amounting to $3 325 000 (1986—$2 949 000) is included in the overall fleet cost which is allocated on a usage basis to capital and operating accounts and is therefore not included as part of the plant depreciation provision.

b) Foreign Exchange:

Long-Term Debt

Long-term debt payable in foreign currencies is recorded at Canadian dollar equivalents using the exchange rates prevailing at the time the debt was incurred.

The Energy Rate Stabilization Act which came into force April 1, 1979 provides for the Province of Manitoba to relieve the Corporation of the costs associated with the foreign debt of Manitoba Hydro by replacing them with Canadian equivalent costs based on Canadian rates for similar terms as at the date the debt was incurred. The Province of Manitoba has confirmed to the Corporation that had the Province of Manitoba not assumed the cost of foreign debt at April 1, 1979 the valuation of the long-term debt of the Corporation as at March 31, 1987 would have been increased by approximately $551 million (1986—$590 million) when translated at the year-end rates of exchange. The Province of Manitoba also confirmed that the amount charged to the Energy Rate Stabilization Act appropriation in the current year was $65.8 million.

Energy Rate Stabilization Act Amendment

In the Budget Address of March 16, 1987 the Minister of Finance for the Province of Manitoba announced the following amendments to the Energy Rate Stabilization Act, effective April 1, 1987:

i) New Long-Term Debt

Manitoba Hydro will assume responsibility for the translation gains or losses associated with all foreign borrowings transacted on or after April 1, 1987.

Long-term debt will be translated into Canadian currency at the rates of exchange prevailing at the date of the balance sheet and the unrealized exchange gains or losses will be amortized over the remaining life of the related debt and together with realized exchange gains or losses will be credited or charged to operations.

ii) Existing Long-Term Debt

a) In foreign currencies other than United States:

The Province of Manitoba will retain responsibility for the translation gains or losses associated with existing foreign debt denominated in currencies other than United States.

The Province of Manitoba will continue to assume the costs associated with this foreign debt by replacing them with the Canadian equivalent costs based on Canadian rates for similar terms as at the date the debt was incurred.

b) In United States currencies:

Effective April 1, 1987, the foreign exchange risks associated with holding United States denominated debt were transferred by the Province of Manitoba to Manitoba Hydro and accordingly the Corporation will assume responsibility for the translation gains or losses associated with existing foreign debt denominated in United States currencies. The Province of Manitoba will retain the obligation to pay the amounts that have been provided in the Province's accounts in respect of United States denominated debt to March 31, 1987.

The Province of Manitoba has confirmed that this obligation amounts to approximately $159 million at March 31, 1987. These amounts will be disbursed at the maturity dates of the respective United States issues.

Long-term debt denominated in United States currencies will be translated into Canadian currencies at rates of exchange prevailing at the date of the balance sheet. If the existing United States denominated debt had been translated at the year-end rate of exchange, the impact on the Corporation's long-term debt would have been an increase of approximately $264 million. The unamortized exchange loss assumed by the

Corporation, totalling approximately $105 million, will be amortized over the remaining life of the related debt and together with realized exchange gains or losses will be credited or charged to operations.

As a result of the proposed amendments to the Energy Rate Stabilization Act, and in order to recover the unamortized foreign exchange loss transferred by the Province of Manitoba to Manitoba Hydro, effective April 1, 1987 the Corporation was granted a special 4.7% average rate increase in general consumer revenues and a reduction in the water power rental rate.

As of June 12, 1987 as a result of fluctuations in the Canadian — United States dollar exchange rate the unamortized foreign exchange loss associated with United States denominated debt has increased by approximately $47 million.

Current Assets and Current Liabilities

Current monetary assets and liabilities denominated in foreign currencies, excluding long-term debt payable within one year, are translated into Canadian currency at rates of exchange prevailing at the date of the balance sheet. The unrealized exchange gains or losses together with realized exchange gains or losses are credited or charged to operations.

Sinking Fund Investments

Sinking fund investments denominated in foreign currencies are translated into Canadian currency at the rates of exchange prevailing at the date of the balance sheet, except where the investments have been hedged by the Minister of Finance of the Province of Manitoba, in which case the rate confirmed by the Province is used in the translation. The unrealized exchange gains or losses are amortized over the remaining life of the investment and together with realized exchange gains or losses are credited or charged to operations.

c) Hedging Program

To reduce foreign exchange risk on United States revenues, the Corporation has fixed the foreign exchange rate for the conversion of a portion of the 1987-88 United States extraprovincial revenue to Canadian dollars by the acquisition of forward exchange contracts. The appropriate portion of the deferred cost of matured foreign exchange contracts will be recognized with the related revenue.

d) Pensions:

Manitoba Civil Service Superannuation Fund

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to income as incurred and a provision is not made in the accounts to fund current or past service obligations of the Corporation to the Civil Service Superannuation Fund.

According to the formula contained in the actuarial report as at December 31, 1983, Manitoba Hydro's unrecorded liability at December 31, 1986 as a result of the participation of employees under the Civil Service Superannuation Act was:

i) if no allowance is made for future increases in pension due to increases in the cost of living, $121 430 000 (1985—$108 520 000).
ii) if allowance is made for future increases in pension due to increases in the cost of living, $180 662 000 (1985—$159 920 000).

An actuarial report as at December 31, 1986 is expected to be completed in the 1987-88 fiscal year.

Manitoba Hydro Retirement Plan

The Manitoba Hydro Retirement Plan is a defined benefit plan which continues to provide benefits to employees and pensioners in respect of service prior to the date each employee entered the Manitoba Civil Service Superannuation Fund. The actuarial report dated October, 1986 indicates an unfunded liability as at July 1, 1986 of $4.4 million (1985 - $4.7 million) which is being funded and charged to operations over the next 15 years.

e) Unamortized Debt Discount and Expense

These costs are charged to income over the life of the respective issue.

f) Discount on Sinking Fund Investments

The Corporation records sinking fund investments at par value. The difference between the cost and the par value of the investments is recorded as a premium or discount and the resulting gain or loss is amortized over the remaining life of the investment or charged upon disposal to investment income.

g) Unamortized Planning Studies

These costs are charged to income over a 15 year period.

h) Unbilled Revenue

Revenues are accrued in respect of electricity delivered but as yet unbilled.

NOTE 2 — FINANCE EXPENSE

	1987	1986
	(thousands of dollars)	
Interest on debt	$327 554	$321 486
Amortization of debt discount and expense	4 489	3 688
Finance expense allocated to construction	(45 122)	(33 452)
Investment income	(44 347)	(44 960)
	$242 574	$246 753

The Manitoba Hydro-Electric Board

NOTE 3 —ELECTRIC UTILITY PLANT (at cost)

	Fixed Assets In Service			Construction In Progress	1987 Total	1986 Total
	Original Cost	**Accumulated Depreciation**	**Book Value**			
	(thousands of dollars)					
Generation	$1 863 729	$401 276	$1 462 453	$428 401	**$1 890 854**	$1 771 332
Transmission	206 398	63 241	143 157	7 748	**150 905**	150 957
Substations	694 835	165 595	529 240	16 170	**545 410**	543 072
Distribution	504 217	167 081	337 136	8 380	**345 516**	314 498
Other	126 646	57 640	69 006	12 956	**81 962**	76 748
	$3 395 825	$854 833	$2 540 992	$473 655	**$3 014 647**	$2 856 607

NOTE 4 —DEFERRED CHARGES AND ADVANCES

	1987	1986
	(thousands of dollars)	
Unamortized bond discount and expense	**$27 469**	$28 216
Unamortized planning study costs	**29 425**	32 026
Deferred cost of matured forward exchange contracts	**7 548**	18 273
Advance to the Northern Flood Committee Inc. (Note 8b)	**5 090**	—
Other	**5 401**	5 992
	$74 933	$84 507

NOTE 5 —LONG-TERM DEBT

The Corporation pays an annual sinking fund installment to the Minister of Finance of the Province of Manitoba as provided by The Manitoba Hydro Act of not less than 1% of the principal amount of the outstanding long-term debt on the preceding March 31, and 4% of the balance in the sinking fund at such date. Such installments would provide for the full retirement of a debt obligation only if the obligation was outstanding for 41 years.

Income earned on sinking fund investments is remitted to the Corporation and is included with investment income for the year.

Manitoba Hydro's debt is guaranteed by the Province of Manitoba.

The weighted average coupon rate on the long-term debt outstanding at March 31, 1987 is 10.20% (1986—10.32%).

For the purpose of financing capital construction expenditures and refunding debt during the year, the Corporation received advances totalling $334.5 million from the Province of Manitoba as follows:

- $206.9 million due July 17, 2016 with interest at 9.23%
- $27.6 million due November 21, 1994 with interest at 9.37%
- $100.0 million due March 31, 1995 with interest at 8.00%

Long-Term Debt:	1987	1986
	(thousands of dollars)	
Total long-term debt outstanding—		
The Manitoba Hydro-Electric Board Bonds	**$1 194 080**	$1 247 475
Advances from the Province of Manitoba represented by debenture debt of the Province	**1 869 728**	1 557 097
Advances from the Province of Manitoba under a loan agreement between the Province and the Government of Canada	**116 547**	148 992
	3 180 355	2 953 564
Less: Sinking fund on deposit with the Minister of Finance	**375 101**	351 204
	2 805 254	2 602 360
Less: Long-term debt maturing within one year— Maturities net of sinking fund plus annual sinking fund installment	**153 126**	78 574
	$2 652 128	$2 523 786

Debt Maturities:

Year Ending March 31	Principal Amount of Maturities	Cash Requirements		
		Maturities Net of Sinking Fund	Annual Sinking Fund Installments	Total
		(thousands of dollars)		
1988	$ 145 465	$ 107 717	$ 45 409	$ 153 126
1989	201 708	179 305	44 030	223 335
1990	180 477	155 563	42 878	198 441
1991	300 299	270 858	41 811	312 669
1992	197 037	158 668	39 313	197 981
	1 024 986	872 111	213 441	1 085 552
1993-1997	990 979	769 666	146 621	916 287
1998-2002	388 614	254 688	111 162	365 850
2003-2007	550 075	244 083	80 805	324 888
2008-2012	18 821	7 771	25 328	33 099
2013-2017	206 880	90 851	29 771	120 622
	$3 180 355	$2 239 170	$607 128	$2 846 298

NOTE 6—DEFERRED CREDITS

	1987	1986
	(thousands of dollars)	
Non-refundable capital contributions	$54 969	$47 387
Unamortized discount on purchase of sinking fund investments	15 613	18 633
Unamortized foreign exchange on sinking fund investments	5 199	8 719
Other	631	766
	$76 412	$75 505

NOTE 7—RESERVES

The following reserves are maintained by the Corporation:

Contingency and General Reserve

An amount as stipulated by the Manitoba Hydro-Electric Board may be transferred annually to this reserve. The amount transferred for the 1986-87 fiscal year was $13 448 000 (no transfer was made for the 1985-86 fiscal year).

Rate Stabilization Reserve

The net income after provision for the contingency and general reserve is transferred annually to this reserve.

NOTE 8—COMMITMENTS

a) Lease Commitments

In accordance with a lease agreement entered into during 1966 between the Governments of Canada and Manitoba, direct current transmission facilities were constructed between the Kettle Generating Station and Winnipeg. The agreement provides for repayment by the Corporation of the capital cost with accrued interest at 5.625% over a term of forty-five years in accordance with a repayment schedule requiring substantially smaller payments during the earlier years. The schedule provides for payment of $17 500 000 for the year ended March 31, 1987 (1986—$15 000 000) and for annual increases in payments of $2 500 000 for the years 1988 and 1989. The progressive increases result in a payment in 1989 of $22 500 000. Payments for the fiscal years 1990 to 2019 will be calculated as the equal annual payment required to amortize the outstanding balance over thirty years at 5.625%. The unpaid balance of principal plus accrued interest for transmission facilities amounted to approximately $369 479 000 as at March 31, 1987 (1986—$366 304 000).

The Corporation's policy is to charge the lease payments to operations in the period in which they become payable. This policy is consistent with the intent of the lease agreement of providing economic relief to ratepayers during the early years of the Nelson River development. This is evident when compared with a calculation of a charge in accordance with the C.I.C.A. recommendation on accounting for capital leases entered into subsequent to January 1, 1979, which indicates that an additional amount of approximately $8.0 million would have been charged to operations for the year and an additional net asset amount of approximately $178.2 million would have been recorded relating to the transmission facilities.

b) Mitigation—Northern Flood Agreement

Manitoba Hydro is party to an agreement with the Government of Canada, the Province of Manitoba and the Northern Flood Committee Inc., which includes compensation and mitigation for the impact of the Churchill River Diversion and Lake Winnipeg Regulation projects. The total spent on compensation and mitigation during the year was $1.3 million (1986—$2.4 million). The total amount paid to date under the Northern Flood Agreement is $26.5 million as at March 31, 1987. A total of 132 claims have been filed to date with the Arbitrator involving Manitoba Hydro with 68 claims having been settled. Of the 64 claims outstanding, Manitoba Hydro is not able to precisely determine the potential contingent liability but has estimated it to be in excess of $30.0 million.

As a demonstration of good faith, Manitoba Hydro advanced $5.0 million to the Northern Flood Committee Inc. to provide funds to the Indian Bands for their use in housing upgrading. This advance, adjusted for the time value of the advance will reduce the amounts payable emanating from the future adjudication of claims.

c) Construction Commitments

Construction on Limestone Generating Station has been committed to provide for first power in 1990-91. The current forecasted cost of the new generating station is $1 731 million; at March 31, 1987 costs of $430.9 million had been incurred.

Other outstanding commitments, principally for construction, were approximately $43 879 000 (1986—$60 586 000).

NOTE 9—COMPARATIVE FIGURES

Where appropriate, comparative figures for 1986 were reclassified in order to conform to the presentation adopted in 1987.

Manitoba

THE MANITOBA INTERCULTURAL COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A, B and C and Schedule 1, of The Manitoba Intercultural Council for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Council as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements applied, except for the change in accounting policy as explained in note 8 to the financial statements, on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

August 17, 1987,
Winnipeg, Manitoba.

Statement A

THE MANITOBA INTERCULTURAL COUNCIL

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

	1987	1986
Cash in bank	$44,675	$59,349
Term deposits	1,105,522	-
Accrued interest	3,607	-
Receivable from The Manitoba Lotteries Foundation	201,454	962,410
	$1,355,258	$1,021,759

LIABILITIES AND FUND BALANCES

	1987	1986
Accounts payable	$36,569	$26,222
Commitments payable from the Ethnocultural Community Support Fund (Note 8)	344,845	-
	381,414	26,222
FUND BALANCES:		
Ethnocultural Community Support Fund, Statement C	784,597	856,220
Funds Retained for Working Capital and Future Operations, Statement B	189,247	139,317
	$1,355,258	$1,021,759

Statement B

THE MANITOBA INTERCULTURAL COUNCIL

Statement of Revenues, Expenditures and Retained Funds for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Revenues:		
Government of the Province of Manitoba		
- Operating grant	$201,200	$195,300
- Biennial assembly grant	-	40,000
- Manitoba Jobs and Training Program	-	2,627
- Manitoba CareerStart Program	1,419	-
- Program grant (Note 7)	6,100	-
	208,719	237,927
Investment income	4,003	-
The Manitoba Lotteries Foundation (Note 5)	107,182	66,842
Other revenues	-	1,340
Total revenues	319,904	306,109
Expenditures:		
Administration	175,729	137,575
Biennial assembly	-	53,751
Council meetings	21,333	25,507
Committees		
- Executive	16,434	20,024
- Community Resources Allocation	41,937	15,997
- Standing Committees	14,541	14,025
Total expenditures, Schedule 1	269,974	266,879
Excess of revenues over expenditures for the year	49,930	39,230
Funds Retained for Working Capital and Future Operations, beginning of year	139,317	100,087
Funds Retained for Working Capital and Future Operations, end of year, Statement A	$189,247	$139,317

Statement C

THE MANITOBA INTERCULTURAL COUNCIL

Statement of Revenues and Expenditures for the Ethnocultural Community Support Fund (Note 4) for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Revenues:		
Manitoba Lotteries Foundation		
- Gaming Fund	$807,500	$680,840
- Canteen	(22,092)	65,000
	785,408	745,840
Investment income	20,636	-
Total revenues	806,044	745,840
Expenditures:		
Distributions to organizations	562,298	451,256
Commitments payable to organizations (Note 8)	344,845	-
Administration fee (Note 5)	87,419	37,290
Total expenditures	994,562	488,546
Revenues over (under) expenditures before extraordinary item	(188,518)	257,294
Extraordinary item (Note 6)	116,895	-
Revenues over (under) expenditures	(71,623)	257,294
Balance, beginning of year	856,220	598,926
Balance, end of year, Statement A	$784,597	$856,220

THE MANITOBA INTERCULTURAL COUNCIL

Schedule of Expenditures
for the year ended March 31, 1987
(with 1986 figures for comparison)

			Committees			Total	
	Administration	Council Meetings	Executive	Community Resources Allocation	Standing Committees	1987	1986
Salaries	$103,224	$ -	$ -	$17,936	$ -	$121,160	$84,320
Health and post secondary education tax levy	1,775	-	-	208	-	1,983	2,247
Per diem	-	7,194	10,273	3,284	1,932	22,683	34,526
Rent and meeting rooms	21,112	360	53	252	-	21,777	23,917
Telephone and postage	5,629	130	531	713	23	7,026	5,556
Furniture and equipment	9,593	170	-	4,890	-	14,653	8,056
Travel and accommodation	6,711	8,369	4,830	3,687	10,504	34,101	52,154
Printing and stationery	14,779	2,337	397	4,281	1,019	22,813	18,772
Publications and education	5,906	-	-	3,606	298	9,810	5,712
Professional fees	5,135	500	-	500	-	6,135	7,991
Advertising and exhibits	1,425	418	-	2,049	-	3,892	14,326
Miscellaneous	440	70	350	531	765	2,156	3,911
Translation services	-	1,785	-	-	-	1,785	5,391
Total expenditures, Statement B	$175,729	$21,333	$16,434	$41,937	$14,541	$269,974	$266,879

Schedule 1

THE MANITOBA INTERCULTURAL COUNCIL

Notes to Financial Statements
March 31, 1987

1. Nature of Organization

The Manitoba Intercultural Council is a Crown corporation that was created by The Manitoba Intercultural Council Act, which was proclaimed on August 31, 1983. The objective of the Council is to provide information and advice to the Province of Manitoba on ethnocultural matters and to promote intercultural activities which will increase knowledge and understanding among ethnocultural groups.

The Manitoba Intercultural Council also acts as the Multicultural Umbrella under the gaming system in Manitoba and allocates gaming revenues to eligible not-for-profit multicultural organizations in the Province of Manitoba. The gaming revenues are derived from the Council's share of the gaming fund of the Manitoba Lotteries Foundation and the Council's share of bingo and casino events operated by the Manitoba Lotteries Foundation.

2. Accounting Policy

a) The financial statements have been prepared on the accrual basis of accounting except for furniture and equipment expenditures, which are recognized as expenditures in the year of acquisition. There has been no provision for depreciation.

b) Grants from the Ethnocultural Community Support Fund are reflected as expenditures in the accounts when funding is formally approved and committed by the Council.

3. Lease Commitment

The Council has a lease commitment for office rental expiring August 31, 1987. Basic rental is $16,800 per year excluding provision for escalation in taxes, insurance and operating costs. In April 1987, the lease agreement was amended and extended to September 30, 1992. The amended lease includes additional office space and basic annual rental of $28,200 from October 1, 1987 to September 30, 1989 and $30,000 from October 1, 1989 to September 30, 1992.

4. Ethnocultural Community Support Fund

The Ethnocultural Community Support Fund has been designated by The Manitoba Intercultural Council as the fund for the gaming revenues to be distributed in respect of not-for-profit multicultural organizations in the Province of Manitoba. The gaming revenues arise from an agreement between the Council and The Manitoba Lotteries Foundation.

THE MANITOBA INTERCULTURAL COUNCIL

Notes to Financial Statements
March 31, 1987

4. Ethnocultural Community Support Fund (cont.)

Revenues and expenditures of the Ethnocultural Community Support Fund do not reflect results of bingo and casino events administered by The Manitoba Lotteries Foundation. Net proceeds from bingos and casinos are distributed directly to multicultural organizations by The Manitoba Lotteries Foundation based on allocations provided by The Manitoba Intercultural Council. During the year ended March 31, 1987, Manitoba Lotteries Foundation distributed the net proceeds from casino and bingo events in the amount of $424,086 (1986 - $540,895), to multicultural organizations.

5. Administration Fees

The Council has a policy of charging for administrative purposes, 5% of the net proceeds from bingo and casino events and 10% (1986 - 5%) of the revenues from The Manitoba Lotteries Foundation, related to the Ethnocultural Community Support Fund. Administrative expenditures related to the Ethnocultural Community Support Fund are borne by the Council.

6. Extraordinary Item

During the year ended March 31, 1987, The Manitoba Lotteries Foundation paid interest in the amount of $116,895 on funds previously held in trust for The Ethnocultural Community Support Fund pending resolution of a formal agreement with the Council. The agreement was signed October 28, 1986.

7. Program Grant

During the year ended March 31, 1987, the Council received a grant from the Department of Culture, Heritage and Recreation to produce the 1987 "Sharing Our Heritage" ethnocultural and religious observances calendar. Administration expenditures include $6,643 for this project.

8. Change in Accounting Policy

Effective April 1, 1986, grants from the Ethnocultural Community Support Fund are reflected as expenditures in the accounts when funding is formally approved and committed by the Council. This change resulted in increasing expenditures and decreasing the fund balance by $344,845. Previously, the Council recognized grant expenditures when disbursed.

9. Comparative Figures

Comparative figures for the year ended March 31, 1986 have been restated where necessary to conform with the presentation adopted for March 31, 1987.

Manitoba

THE MANITOBA LOTTERIES FOUNDATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to C and Schedules 1 to 7, of The Manitoba Lotteries Foundation for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred W. Jackson

F. H. Jackson, CA,
Provincial Auditor.

July 24, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA LOTTERIES FOUNDATION
Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Assets		
Current Assets:		
Cash on hand and in bank	$ 3,791,762	$ 5,652,832
Term deposits with Minister of Finance	17,500,000	12,500,000
Accrued interest receivable	147,636	135,637
Accounts receivable:		
Western Canada Lottery Corporation	2,088,439	2,305,634
Trade	232,359	355,442
Miscellaneous	83,546	198,777
Inventories - at lower of cost or net realizable value:		
Bingo paper	112,428	137,680
Breakopen tickets	247,434	119,822
	24,203,604	21,405,824
Deposit on land	109,211	109,211
Net fixed assets, Note 3	3,218,756	2,566,364
Total assets	$27,531,571	$24,081,399

Exhibit A

	1987	1986
Liabilities and Fund Account Balances		
Current liabilities:		
Accounts payable and accrued liabilities:		
Government of the Province of Manitoba	$ 298,103	$ 240,132
Western Canada Lottery Corporation	65,388	90,832
Trade	369,587	553,403
Fund account balances - payable to organizations or the Government of the Province of Manitoba, Exhibit B, Note 2:		
Casino	134,652	287,834
Bingo Halls	1,114,260	1,018,180
Gaming Fund	10,271,162	9,566,970
	12,253,152	11,757,351
Deferred employee benefit	499,256	336,886
Fund account balances - Exhibit B, Note 2:		
General	2,515,021	2,737,757
Special	3,044,617	2,594,015
Equalization Fund	9,219,525	6,655,390
Total liabilities and fund account balances	$27,531,571	$24,081,399

Exhibit B

THE MANITOBA LOTTERIES FOUNDATION

Statement of Changes in Fund Account Balances
for the year ended March 31, 1987
(with 1986 figures for comparison)

	Fund Account Balances - payable to organizations or the Government of the Province of Manitoba, Note 2			Fund Account Balances, Note 2			Totals	
	Casino	Bingo Halls	Gaming Fund	General	Special	Equalization Fund	1987	1986
Balance, beginning of year	$ 287,834	$1,018,180	$ 9,566,970	$ 2,737,757	$ 2,594,015	$6,655,390	$22,860,146	$17,499,901
Add:								
Revenue over expenditure, Exhibit C	4,135,409	4,329,474	45,205,410	-	-	-	53,670,293	46,781,538
Transfers between fund accounts	-	-	(4,489,442)	(222,736)	450,602	4,261,576	-	-
Recoverable (recovered) from casinos, Note 2(f)	(165,792)	-	-	-	-	-	(165,792)	77,675
	4,257,451	5,347,654	50,282,938	2,515,021	3,044,617	10,916,966	76,364,647	64,359,114
Deduct:								
Funds transferred to the Government of the Province of Manitoba, Schedule 6	-	-	19,278,299	-	-	787,000	20,065,299	16,250,513
Grants to organizations, Schedule 7	4,122,799	4,233,394	20,733,477	-	-	910,441	30,000,111	25,248,455
	4,122,799	4,233,394	40,011,776	-	-	1,697,441	50,065,410	41,498,968
Balance, end of year, Exhibit A	$ 134,652	$1,114,260	$10,271,162	$ 2,515,021	$ 3,044,617	$9,219,525	$26,299,237	$22,860,146

Exhibit C

THE MANITOBA LOTTERIES FOUNDATION

Statement of Revenue and Expenditure for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Revenue:		
Net lottery sales revenue, Schedule 1	$40,390,572	$30,587,600
Bingo paper and breakopen ticket sales, Schedule 2	6,180,459	9,125,162
Bingo hall revenue over expenditure, Schedule 3	4,329,474	4,150,709
Casino revenue over expenditure, Schedule 4	4,135,409	4,596,993
Interest income	1,759,631	1,474,505
License fees	796,309	388,463
Other income	174,092	98,602
	57,765,946	50,422,034
Administrative expenses, Schedule 5	4,095,653	3,640,496
Revenue over expenditure, Exhibit B	$53,670,293	$46,781,538

Schedule 1

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Net Lottery Sales Revenue
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Lottery sales at retail, Note 2(b):		
Lotto 6/49	$ 59,908,280	$46,477,515
Instant	22,070,000	16,000,000
Super Loto	6,286,400	7,909,010
Lotto West	3,758,968	5,826,741
Provincial	5,612,990	5,678,005
Western Express	13,555,246	5,569,979
	111,191,884	87,461,250
Interest and other revenue - Western Canada Lottery Corporation	709,202	945,364
	111,901,086	88,406,614
Cost of lottery sales - Western Canada Lottery Corporation	68,527,319	54,350,967
	43,373,767	34,055,647
Payment by agreement to the Government of Canada, Note 4	2,983,195	3,468,047
Net lottery sales revenue, Exhibit C	$ 40,390,572	$30,587,600

Schedule 2

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Bingo Paper and Breakopen Ticket Sales for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Bingo paper:		
Sales:		
- licensees	$1,000,370	$ 795,360
- bingo halls, Schedule 3	225,809	252,083
	1,226,179	1,047,443
Cost of bingo paper sold	1,108,979	924,620
Net sales	$ 117,200	$ 122,823
Breakopen tickets:		
Sales:		
- licensees	$7,153,756	$ 9,425,380
- bingo halls, Schedule 3	649,621	1,093,232
	7,803,377	10,518,612
Cost of breakopen tickets sold	1,740,118	1,516,273
Net sales	$6,063,259	$ 9,002,339
Bingo paper and breakopen ticket sales, Exhibit C	$6,180,459	$ 9,125,162

Schedule 3

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Bingo Hall Revenue and Expenditure
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue		
Bingo paper:		
Sales (retail)	$8,551,926	$8,659,491
Less:		
Prizes	5,001,030	5,156,265
Cost of paper sold, Schedule 2	225,809	252,083
	3,325,087	3,251,143
Breakopen tickets:		
Sales (retail)	7,218,044	9,073,567
Less:		
Prizes	4,691,822	5,896,969
Cost of tickets sold, Schedule 2	649,621	1,093,232
	1,876,601	2,083,366
Canteen proceeds	83,140	118,205
	5,284,828	5,452,714
Expenditure		
Advertising	32,282	89,070
Bingo hall rental	196,467	263,762
Canteen expenses	268	5,119
Depreciation and amortization	79,173	278,645
Maintenance	83,702	105,885
Other	46,978	3,879
Salaries and benefits:		
- permanent	197,694	174,732
- casual	114,741	103,263
Security	39,968	48,942
Shortage allocated to organizations	122,213	169,146
Supplies	5,561	2,088
Utilities	36,307	57,474
	955,354	1,302,005
Revenue over expenditure, Exhibit C	$4,329,474	$4,150,709

Schedule 4

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Casino Revenue and Expenditure
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Casino proceeds	$7,421,355	$7,409,517
Canteen and other income	42,517	-
Interest	1,706	8,734
	7,465,578	7,418,251
Expenditure:		
Advertising	241,645	125,679
Depreciation and amortization	169,341	144,783
Other	115,162	80,171
Rentals	257,956	193,019
Salaries and benefits:		
- permanent	220,805	208,520
- casual	2,144,583	1,932,790
Security	87,931	83,217
Supplies	92,746	53,079
	3,330,169	2,821,258
Revenue over expenditure, Exhibit C	$4,135,409	$4,596,993

Schedule 5

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Administrative Expenses
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Advertising and promotion	$ 120,677	$ 91,188
Board members' fees and expenses	28,540	27,182
Cartage	106,231	110,640
Commissions and bonuses	137,633	123,280
Depreciation and amortization	175,343	159,817
Equipment rentals, repairs and maintenance	65,027	70,643
Insurance, security and property taxes	65,676	61,130
Office and storage space rentals	145,798	164,337
Provision for pension benefits	148,703	101,503
Postage, telephone and telex	98,386	87,621
Professional fees	69,169	46,259
Salaries and benefits	2,470,330	2,144,521
Sundry	139,345	133,692
Supplies and printing	102,037	91,124
Travel	222,758	227,559
Total administrative expenses, Exhibit C	$4,095,653	$3,640,496

Schedule 6

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Transfers
to the Government of the Province of Manitoba
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Department of Culture, Heritage and Recreation		
Funds tranferred from:		
Gaming Fund Account	$14,013,651	$11,781,393
Department of Health		
Funds transferred from:		
Gaming Fund Account	5,264,648	4,469,120
Equalization Fund Account	787,000	-
	6,051,648	4,469,120
Total transfers, Exhibit B	$20,065,299	$16,250,513

Schedule 7

THE MANITOBA LOTTERIES FOUNDATION

Grants to Organizations, Note 5, for the year ended March 31, 1987
(with 1986 figures for comparison)

	Casino	Bingo Halls	Gaming Fund	Equalization Fund	Totals 1987	Totals 1986
Manitoba Sports Federation Inc. and member organizations	$ 606,177	$2,642,601	$ 7,153,237	$ -	$10,402,015	$ 8,368,328
Manitoba Arts Council and member organizations	130,208	172,438	5,103,479	-	5,406,125	4,594,193
Manitoba Community Education Association Inc. and member organizations	649,504	144,560	-	-	794,064	1,723,934
Manitoba Community Services Council and member organizations	238,439	877,610	3,137,384	-	4,253,433	3,861,870
Manitoba Heritage Federation Inc.	688,656	-	-	-	688,656	490,932
Manitoba Intercultural Council and member organizations	164,648	396,185	1,546,275	-	2,107,108	1,000,648
United Way of Winnipeg	-	-	2,342,580	-	2,342,580	1,969,426
Health Sciences Centre Research Foundation	-	-	725,261	-	725,261	758,563
Manitoba Health Research Council	-	-	725,261	-	725,261	803,623
St. Boniface General Hospital Research Foundation Inc.	-	-	-	-	-	45,060
Manitoba Mental Health Research Foundation	-	-	-	-	-	35,000
Rick Hansen "Man In Motion" Trust Fund	-	-	-	10,000	10,000	-
Festival du Voyageur	261,275	-	-	-	261,275	265,556
Red River Exhibition Association	264,000	-	-	-	264,000	239,650
Folk Arts Council of Winnipeg Inc.	243,444	-	-	-	243,444	316,037
Winnipeg Blue Bombers Football Club	207,936	-	-	-	207,936	249,401
Keystone Association of Charities Inc.	-	-	-	874,510	874,510	-
Royal Canadian Legion, Manitoba and Northwest Ontario Command	-	-	-	25,931	25,931	71,310
Rural Casinos, Note 6	668,512	-	-	-	668,512	454,924
Total, Exhibit B	$4,122,799	$4,233,394	$20,733,477	$910,441	$30,000,111	$25,248,455

THE MANITOBA LOTTERIES FOUNDATION
Notes to the Financial Statements for the year ended March 31, 1987

1. Establishment of the Foundation and Nature of Operations

Order-in-Council 282/83 dated March 16, 1983 proclaimed the Manitoba Lotteries Foundation Act.

The Foundation is the Agent of the Government of the Province of Manitoba in the Western Canada Lottery Corporation (W.C.L.C.). W.C.L.C. is responsible for providing the lottery tickets, determining the winning tickets, paying out the prizes, as well as other administrative responsibilities as determined by the member Provinces.

The Manitoba Lotteries Foundation is responsible for the overall conduct and management of all lottery schemes in Manitoba, except for raffles with prizes under three thousand dollars. The Foundation may issue licences to organizations to hold lottery schemes, in which case, the Foundation carries out a supervisory and compliance control.

The Manitoba Lotteries Foundation conducts and manages bingo and breakopen ticket lotteries at two bingo halls (three halls prior to January 1, 1986). The Foundation also conducts and manages all casinos in the Province of Manitoba.

2. Significant Accounting Policies

(a) Revenue and expenditure recognition

Revenue and expenditure is recorded on an accrual basis except for the following:

(i) Revenue on lottery ticket sales, Schedule 1, Note 2(b), is recognized on sales for which draws are completed in the fiscal year.

(ii) Casino revenue and expenditure, Schedule 4, Note 2(f), is recognized on casinos which are completed in the fiscal year.

(iii) Licensing revenue, Note 2(c), is recognized on a cash receipts basis.

(b) Government Lotteries

Lottery revenue is received from W.C.L.C. and represents the revenue the Foundation receives from government lottery sales in the Province of Manitoba less Manitoba's share of W.C.L.C.'s costs associated with these sales and Manitoba's share of the amounts owing to the Federal Government.

(c) Licence Fees

Licence fees are assessed to recover certain of the Foundation's operating costs pertaining to the regulation of lottery schemes in the Province.

(d) Fixed Assets and Depreciation

Fixed assets are recorded at cost.

Furniture and other equipment are depreciated on a straight-line basis over 5 years.

Building is depreciated on a straight-line basis over 20 years.

Leasehold improvements are amortized over the term of the lease.

Automotive equipment is depreciated on a declining balance method at 30% per annum.

Casino equipment and chips is depreciated on a declining balance method at 20% per annum.

Casino security equipment is depreciated on a straight-line basis over 10 years.

(e) Pension Costs

The officers and employees of the Foundation are members of the Civil Service of the Government of the Province of Manitoba, and they contribute to and are pensionable under the Civil Service Superannuation Fund.

It is the policy of the Foundation to provide for the employer's portion of pension benefits earned by employees on an indexed basis. The actuary's formula projects this figure to be $499,256 as at March 31, 1987 (1986 - $336,886).

(f) Casino

The casino statement, Schedule 4, reflects the transactions pertaining to casinos operated and managed by the Foundation.

The casinos are charged with all direct expenses of operating the casinos. There is no allocation of senior management's salaries which are considered indirect. All indirect expenses are recorded as administrative expenses because they affect the total operations of the Foundation.

The Foundation deducts from the proceeds of each casino an amount intended to recover direct expenses. If direct expenses exceed the amount charged to the casinos the variance is recovered from future casinos. If the direct expenses are less than the amount charged to the casinos the variance is payable to the organizations that were involved with the casino events.

(g) Bingo Halls

The bingo hall statement, Schedule 3, reflects the transactions pertaining to bingo hall events operated and managed by the Foundation. The bingo hall operations are charged for all direct expenses of operating the bingo halls. All indirect expenses are recorded as administrative expenses because they affect the total operations of the Foundation.

The Foundation deducts from the proceeds of each bingo event an amount intended to recover direct expenses. If direct expenses exceed the amount charged to the bingos the variance is recovered from future bingos. If the direct expenses are less than the amount charged to the bingos the variance is payable to the umbrella groups associated with the organizations that were involved with the bingo events.

(h) Fund Accounts

The Foundation maintains specific fund accounts in order to recognize restrictions placed on the use of resources. The funds are included in the net assets of the Foundation.

The proceeds realized by the Foundation from time to time from the conduct and management of lottery schemes, less the costs of conducting and managing the lottery schemes and administering the Manitoba Lotteries Foundation Act, are to be used and applied as the Lieutenant Governor in Council directs or in accordance with general guidelines prescribed by the Lieutenant Governor in Council.

(i) Gaming Fund Account

The Gaming Fund Account is credited with the net proceeds from operations except for casino and bingo hall operations.

The available proceeds of this Fund Account are payable and/or transferable to charitable community organizations through their designated umbrella groups, to designated departments of the Government of the Province of Manitoba and to the Equalization Fund Account based on a sharing formula approved by Order-in-Council.

(ii) Casino and Bingo Hall Fund Accounts

These fund accounts are credited with the net proceeds from casinos and bingos operated by the Foundation.

The proceeds are payable to umbrella groups and/or community organizations that were involved with the casino and/or bingo events.

(iii) General Fund Account

The General Fund Account reflects $2,000,000 in retained income for working capital and investments in fixed assets. For the year ended March 31, 1987 a net interfund transfer to the Special Fund Account was recorded as required by Cabinet directive. Transfers are being made back to the Special Fund Account over the next three years to carry out the balance of the Cabinet directive.

(iv) Special Fund Account

The Special Fund Account is set up and used for special projects as authorized by Cabinet. Changes in the account during the year are set out below:

Opening balance		$2,594,015
Transfers from General Fund Account, Note 2(h)(iii)	$ 222,736	
Interest transferred from Gaming Fund Account	227,866	450,602
Closing balance, Exhibit B		$3,044,617

(v) Equalization Fund Account

This Fund Account receives a 10% allocation of the net proceeds credited to the Gaming Fund Account after adjustments for medical research proceeds and interest. This is based on a sharing formula approved by Order-In-Council. The purpose of this Fund Account is to provide for adjustments which may be necessary, based on historical relationships between sharing groups in the Gaming Fund Account and any other uses at the sole discretion of the Government of the Province of Manitoba.

3. Fixed Assets

	Cost	Accumulated Depreciation and Amortization	1987 Net Book Value	1986 Net Book Value
Land	$ 852,164	$ -	$ 852,164	$ 102,164
Furniture and equipment	661,105	334,952	326,153	388,968
Building	1,215,938	109,959	1,105,979	1,128,824
Leasehold improvements	753,440	604,621	148,819	202,812
Casino equipment and chips	500,106	179,824	320,282	315,207
Other equipment	132,314	58,748	73,566	66,720
Casino security	476,326	84,533	391,793	361,669
	$4,591,393	$1,372,637	$3,218,756	$2,566,364

4. Payment to Government of Canada

Effective January 1, 1980, the Government of Canada terminated its involvement in lotteries. In return, the ten Provinces are to contribute an annual sum of $24,000,000, adjusted for inflation, to the Federal Government.

During 1986, a second agreement was signed between the Provinces of Canada and the Federal Government whereby the Provinces have agreed to pay $100,000,000 over three years in return for the Federal Government amending the criminal code removing the Federal Government as a participant in lottery and gaming activities.

Manitoba's share of payment	1987	1986
Agreement #1	$1,594,870	$1,821,054
Agreement #2	1,388,325	1,646,993
	$2,983,195	$3,468,047

5. Grants to Organizations -

Grants to organizations reflected on Schedule 7 were made to the umbrella groups and/or member organizations. Agreements and/or letters of understanding with the umbrella groups provide for Manitoba Lotteries Foundation to make certain payments directly to the member organizations.

6. Rural Casinos

Proceeds of the rural casinos were paid to the following organizations:

	1987	1986
East St. Paul Community Club	$107,234	$ 47,163
South Interlake Golf and Country Club and Woodlands R.M. #248	54,118	-
Provincial Exhibition of Brandon	53,579	55,267
Grosse Isle Memorial Park	47,814	-
St. Andrews Community Club	42,224	21,652
Selkirk Casino Umbrella Group	35,272	14,832
St. Anne's Minor Hockey	32,552	-
Lorette Sports Centre	32,384	18,537
St. Francois Xavier Community Club	30,000	-
Kinsmen Club of Stonewall	28,979	17,816
Kinsmen Club of Thompson	21,451	10,489
Elie Community Club	19,262	16,058
Oakbank Community Club	18,038	16,007
Garson Community Rink Inc.	17,718	32,731
Carman Curling Club	16,066	-
Beausejour Brokenhead Memorial Arena Board	14,679	22,092
Kinsmen Club of Teulon	14,593	-
Winnipeg Beach Community Curling Club	13,233	18,452
St. Adolphe Jaycees	12,217	-
Labroquerie Arena Board	10,532	5,296
Kinsmen Club of Flin Flon	7,969	4,054
East Selkirk Recreation Assoc. Inc.	7,773	38,978
Kinsmen Club of The Pas	6,052	4,985
Lions Club of The Pas	6,052	-
Northern Manitoba Trapper's Festival	6,052	-
Balmoral Skating and Hockey Club	5,602	13,887
Kinsmen Club of Stony Mountain	5,602	24,134
Kinsmen Club of Gimli	1,465	15,005
Grosse Isle Memorial Recreation Club	-	8,206
St. Anne Aces Hockey Club	-	3,547
South Interlake Golf & Country Club	-	27,554
Morris Curling Club	-	18,182
	$668,512	$454,924

7. Commitments and Contingent Liability

(a) The following contractual liabilities exist as at March 31, 1987:

Operating lease commitments for facilities, halls and equipment amount to $682,000.

The minimum rental payments on these leases for subsequent fiscal years are:

March 31, 1988.............	$275,379
March 31, 1989.............	235,784
March 31, 1990.............	170,837
	$682,000

(b) The following contingent liability exists as at March 31, 1987:

Four claims have been filed against the Foundation. Two claims are with respect to the Foundation's operating, managing and controlling certain specified bingo halls in the Province of Manitoba. One claim pertains to the Foundation's refusal of a certain licence while another claim concerns the business of selling lottery products outside the Province of Manitoba.

The financial implication of these claims cannot be determined at this time.

No provision has been made in the accounts of the Foundation in respect to these claims as at March 31, 1987.

8. Comparative Figures

The 1986 figures have been reclassified where necessary to conform to the 1987 financial statement presentation.

Manitoba

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Mental Health Research Foundation for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

May 1, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
ASSETS		
Cash in bank	$ 29,971	$ 62,547
Term deposit	125,000	100,000
	$ 154,971	$ 162,547
FUND BALANCES		
Unexpended funds, Exhibit B:		
Specific	$ 86,198	$ 75,731
General	68,773	86,816
	$ 154,971	$ 162,547

Exhibit B

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Statement of Cash Receipts and Disbursements and Unexpended Funds
for the year ended March 31, 1987
(with 1986 figures for comparison)

	Specific Funds	General Funds	1987 Total	1986 Total
Receipts:				
Grant from the Province of Manitoba	$ -	$ 50,000	$ 50,000	$ 15,000
Grant from the Manitoba Lotteries Foundation	-	-	-	35,000
Grant from the Manitoba Community Services Council	-	-	-	28,750
Grant from The Winnipeg Foundation	-	15,000	15,000	-
Bank interest	-	10,004	10,004	9,091
Donations received	-	19,138	19,138	4,075
Total Receipts	$ -	$ 94,142	94,142	$ 91,916
Disbursements:				
Research projects:				
University of Manitoba on behalf of grantees	$ 34,719	$ -	$ 34,719	$ 30,686
University of Winnipeg on behalf of grantees	10,219	-	10,219	2,318
Health Sciences Centre on behalf of grantees	3,874	-	3,874	-
Centre Hospitalier Taché Nursing Centre Inc. on behalf of grantee	11,211	-	11,211	-
	60,023	-	60,023	33,004
Administrative expenses:				
Bank charges	-	103	103	31
Conferences, workshops and memberships	-	1,323	1,323	530
Miscellaneous	-	1,110	1,110	95
Office furniture	-	832	832	-
Postage	-	1,480	1,480	30
Printing and stationery	-	3,556	3,556	-
Rent	-	5,355	5,355	-
Salary and staff benefits	-	27,936	27,936	-
Staff recruitment	-	-	-	553
	-	41,695	41,695	1,239
Total Disbursements	60,023	41,695	101,718	34,243
Excess (deficiency) of receipts over disbursements	(60,023)	52,447	(7,576)	57,673
Transfers, net (Note 3)	70,490	(70,490)	-	-
	10,467	(18,043)	(7,576)	57,673
Unexpended funds, beginning of year	75,731	86,816	162,547	104,874
Unexpended funds, end of year, Exhibit A	$ 86,198	$ 68,773	$ 154,971	$ 162,547

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Notes to the Financial Statements
For the year ended March 31, 1987

1. Nature of the Foundation

The Foundation is incorporated under The Manitoba Mental Health Research Foundation Act. Its aims and objectives are to support and to promote the development of mental health research in Manitoba. The Foundation is a registered charity within the meaning of The Income Tax Act.

2. Accounting Policies

a) Accounting basis

The Foundation's financial statements have been prepared using the cash basis of accounting.

b) Administrative expenses

The members of the board of governors, and the treasurer, serve without remuneration.

c) Transfers between General and Specific funds

Specific funds pertain to projects which the Board has approved to be conducted by the grantees. The projects are either in progress or completed. Upon Board approval of a project, a transfer is made from General to Specific funds in the amount of the approved level of the project funding. When projects are completed and the Board has determined that unspent funds remaining will not be required for the project, these unspent funds are transferred from Specific to General funds.

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Notes to the Financial Statements
For the year ended March 31, 1987

3. Transfer of Funds

The transfer from General to Specific funds was $77,784 (1986 - $51,307). The transfer from Specific to General of unexpended funds from completed research projects was $7,294 (1986 - $Nil).

4. Comparative Figures

Prior year's figures have been restated to reflect the presentation adopted for 1987.

Manitoba

THE MANITOBA MILK PRICES REVIEW COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Milk Prices Review Commission for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

September 9, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA MILK PRICES REVIEW COMMISSION

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
ASSETS		
Current Assets:		
Cash	$ 14,760	$ 8,380
Account receivable	173	-
Prepaid expense	444	-
	$ 15,377	$ 8,380
LIABILITIES AND UNEXPENDED FUNDS		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 2,077	$ 3,110
Unexpended funds, Exhibit B	13,300	5,270
	$ 15,377	$ 8,380

Exhibit B

THE MANITOBA MILK PRICES REVIEW COMMISSION

Statement of Revenue and Expenditure and Unexpended Funds for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Revenue:		
Grant from the Government of the Province of Manitoba	$ 29,968	$ 44,102
Interest	234	244
	30,202	44,346
Expenditure:		
Annual report	583	462
Commission - per diem and benefits	3,921	4,295
- travel	4,265	4,964
Office and postage	2,117	1,864
Professional fees	7,789	5,195
Salaries and benefits (Note 3)	1,898	22,659
Sundry	1,039	1,375
Telephone	560	1,778
	22,172	42,592
Revenue over expenditure	8,030	1,754
Unexpended funds, beginning of the year	5,270	3,516
Unexpended funds, end of the year, Exhibit A	$ 13,300	$ 5,270

THE MANITOBA MILK PRICES REVIEW COMMISSION

Notes to Financial Statements
for the year ended March 31, 1987

1. Nature of the Commission

The Milk Prices Review Act was enacted effective September 29, 1980. This Act established The Manitoba Milk Prices Review Commission to monitor prices of fluid milk, to set the price at which milk may be sold by a producer for use as fluid milk and, if necessary, to set maximum and/or minimum prices at which fluid milk may be sold to consumers.

2. Accounting Policies

a) The Commission uses the accrual basis of accounting.

b) Office equipment purchases are charged to operations in the year of acquisition.

3. Services Provided by the Government of the Province at no Charge

The Government of the Province of Manitoba provides the services of an Executive Secretary, office accommodations, miscellaneous administrative services and effective May 1, 1986 the services of a bookkeeper at no charge to the Commission.

4. The Manitoba Fluid Milk Commission

The Manitoba Fluid Milk Commission was established effective March 1, 1984 by regulation under the Natural Products Marketing Act. The Manitoba Fluid Milk Commission may set maximum and/or minimum or fixed prices at which fluid milk may be sold by a distributor or processor. The members of The Manitoba Fluid Milk Commission are also members of The Manitoba Milk Prices Review Commission. Administrative services for The Manitoba Fluid Milk Commission are provided by staff of The Manitoba Milk Prices Review Commission and the Government of the Province of Manitoba without charge.

Manitoba

MANITOBA MINERAL RESOURCES LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Manitoba Mineral Resources Ltd. as at December 31, 1986 and the statement of operations and the statement of changes in cash resources for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Manitoba Mineral Resources Ltd. as at December 31, 1986 and the results of its operations and the changes in its cash resources for the year then ended in accordance with the accounting policies stated in note 3 to the financial statements applied on a basis consistent with that of the preceding year.

J. W. Singleton, C.A.,
Assistant Provincial Auditor.

February 17, 1987,
Winnipeg, Manitoba.

Exhibit A

MANITOBA MINERAL RESOURCES LTD.

Balance Sheet
as at December 31, 1986
(with comparative figures at December 31, 1985)

ASSETS

	1986	1985
Current assets:		
Cash - in bank	$ 417,885	$ 200,197
- in trust with the Minister of Finance	2,725,000	2,370,000
Settlements and accounts receivable (Notes 3(b) & 6)	1,421,567	1,010,188
Accrued interest receivable	41,934	44,503
Prepaid expenses	4,229	4,056
Total current assets	4,610,615	3,628,944
Fixed assets (Notes 3(c) & (d)):		
Field equipment	169,861	163,612
Office equipment	42,381	40,988
Office renovations	5,975	5,975
Vehicles	22,907	22,907
Exploration and development - Trout Lake mine	2,015,122	1,129,830
	2,256,246	1,363,312
Less: accumulated depreciation	184,822	162,729
accumulated amortization - Trout Lake mine	541,399	446,982
	726,221	609,711
Fixed assets, net	1,530,025	753,601
	$ 6,140,640	$ 4,382,545

Exhibit A

LIABILITIES

	1986	1985
Current liabilities:		
Accounts payable	$ 236,251	$ 120,648
Total current liabilities	236,251	120,648

SHAREHOLDER'S EQUITY

	1986	1985
Capital stock (Notes 1 and 4):		
Authorized - unlimited number of shares without par value for unlimited consideration		
Issued and fully paid - 5 shares at $1.00 each	5	5
- 740,000 shares at $10.00 each	7,400,000	6,800,000
	7,400,005	6,800,005
Deficit, beginning of year	(2,538,108)	(2,004,864)
Net income (loss), Exhibit B	1,042,492	(533,244)
Deficit, end of year	(1,495,616)	(2,538,108)
Shareholder's equity, net	5,904,389	4,261,897
	$ 6,140,640	$ 4,382,545

Exhibit B

MANITOBA MINERAL RESOURCES LTD.

Statement of Operations
For the year ended December 31, 1986
(with comparative figures for the year ended December 31, 1985)

	Exploration	Trout Lake Mine	Total 1986	1985
Income:				
Sale of concentrates	$	$ 8,720,921	$ 8,720,921	$ 7,319,971
Interest earned		145,572	145,572	157,304
Oil production	4,895		4,895	7,690
Management fees	128,991		128,991	58,091
Option payments	1,917		1,917	667
Sundry	5,865		5,865	2,982
	141,668	8,866,493	9,008,161	7,546,705
Expenses:				
General and administrative, Schedule 1	310,345	50,111	360,456	300,276
Mining		3,613,298	3,613,298	3,490,173
Milling		1,229,744	1,229,744	1,081,862
Monitoring		17,160	17,160	22,082
Amortization (Note 3(d))		94,417	94,417	84,400
Wholly owned ventures	644,395		644,395	1,493,169
Joint ventures (Note 7)	2,006,199		2,006,199	1,607,987
	2,960,939	5,004,730	7,965,669	8,079,949
Net income (loss), Exhibit A	$(2,819,271)	$ 3,861,763	$ 1,042,492	$ (533,244)

Exhibit C

MANITOBA MINERAL RESOURCES LTD.

Statement of Changes in Cash Resources
For the year ended December 31, 1986
(with comparative figures for the year ended December 31, 1985)

	1986	1985
Operating activities:		
Net income (loss)	$ 1,042,492	$ (533,244)
Items not involving cash		
Depreciation and amortization	121,406	109,812
	1,163,898	(423,432)
Net change in noncash working capital balances	(293,380)	(121,431)
	870,518	(544,863)
Financing activities:		
Shares issued	600,000	
Financial resources generated from operating and financing activities	1,470,518	(544,863)
Investments:		
Fixed asset additions	12,538	13,934
Mine development expenditures	885,292	14,933
	897,830	28,867
Increase (decrease) in cash and equivalents	572,688	(573,730)
Cash and equivalents, beginning of year	2,570,197	3,143,927
Cash and equivalents, end of year	$ 3,142,885	$ 2,570,197

Schedule 1

MANITOBA MINERAL RESOURCES LTD.

Schedule of General and Administration Expenses
For the year ended December 31, 1986
(with comparative figures for the year ended December 31, 1985)

	1986	1985
Salaries, wages and employee benefits	$ 199,324	$ 164,345
Office rent	51,753	47,598
Equipment rental and maintenance	16,981	9,898
Accounting and audit	16,325	23,637
Legal	3,716	9,182
Telephone	10,014	8,572
Printing, postage & supplies	14,930	15,425
Directors' fees	1,800	2,000
Depreciation	26,989	25,412
Corporation capital tax	11,719	19,181
Other	19,296	18,822
	372,847	344,072
Revenue from rental of camp and field equipment	(12,391)	(43,796)
	360,456	300,276
Allocated to (Exhibit B):		
Trout Lake mine	50,111	50,338
Exploration	310,345	249,938
	$ 360,456	$ 300,276

MANITOBA MINERAL RESOURCES LTD.

Notes to Financial Statements
For the year ended December 31, 1986

1. Status of the Company

Manitoba Mineral Resources Ltd. is a crown corporation established under The Manitoba Natural Resources Development Act and incorporated under the Manitoba Corporations Act. The issued shares are held by the Government of the Province of Manitoba except for five shares which are held by the appointed directors in trust for Her Majesty the Queen in right of the Province of Manitoba. The Company is authorized to issue an unlimited number of common shares for an unlimited maximum consideration.

2. Nature of the Operations

The Company undertakes exploration for minerals in the Province of Manitoba through wholly owned ventures and joint ventures. These joint ventures are operated by either the Company or the partners.

The Company also maintains an interest in the development, mining and processing of ore from the Trout Lake mine and the sale of the concentrates. This activity is further explained in note 5.

3. Significant Accounting Policies

(a) Accounting basis

The accounts are reflected on the accrual basis of accounting.

(b) Settlements receivable

The Company entered into a contract with Hudson Bay Mining and Smelting Co. Limited for the sale of its concentrates. Under the terms of the contract, the concentrates are deemed to be sold at the time of delivery of ore to the mill. The settlements receivable on sales of ore concentrates are recorded at the estimated net realizable value.

(c) Fixed assets and depreciation

Fixed assets are recorded at cost. Depreciation is taken on a straight line basis.

(d) Exploration and development expenditures and amortization

Exploration costs are charged to expense as incurred. They are capitalized when a mine is brought into production. The development costs associated with bringing a property into an operating mine status are capitalized. The capitalized costs in respect to an operating mine are amortized by the unit-of-production method based on estimated recoverable reserves.

4. Authority to Purchase Shares

The Government of the Province of Manitoba authorized the purchase of shares of the Company as a method of funding the Company's activities as follows:

Authority	Amount Used to Purchase Shares	Amount Authorized
The Loan Act, 1982	$ 2,800,000	$ 2,800,000
The Loan Act, 1983 (2)	4,600,000	5,600,000
The Loan Act, 1984 (2)		7,062,000
	$ 7,400,000	$ 15,462,000

During the year, 60,000 shares were issued to the Government of the Province of Manitoba at $10.00 per share.

5. Trout Lake Mine

The Trout Lake mine is an unincorporated joint venture which is limited to the development and operation of the mine. The joint venture partners take the ore produced in proportion to their interests and are individually responsible for processing of the ore and sale of the concentrates.

The Company has a 27% interest in the joint venture. Hudson Bay Mining and Smelting Co. Limited has 44%, Granges Exploration Ltd. 19.833% and Outokumpu Oy 9.167%.

These financial statements reflect the Company's revenue and expenditures for its 27% interest in the joint venture operations and the additional activities outside of the joint venture, including arrangements for the processing of the ore, sale of concentrates, monitoring and administration.

6. Settlements and Accounts Receivable

	December 31 1986	December 31 1985
Settlements receivable on sales of Trout Lake mine concentrates (Note 3(b))	$ 1,369,918	$ 965,975
Accounts receivable	51,649	44,213
	$ 1,421,567	$ 1,010,188

MANITOBA MINERAL RESOURCES LTD.

Notes to Financial Statements
For the year ended December 31, 1986

7. Exploration Expenses - Joint Ventures

	December 31 1986	December 31 1985
Joint ventures operated by Manitoba Mineral Resources Ltd.	$ 2,464,086	$ 1,233,940
Deduct: recoveries from joint venture partners	1,273,252	604,842
	1,190,834	629,098
Joint ventures operated by partners	815,365	978,889
	$ 2,006,199	$ 1,607,987

8. Contingent Liabilities

Authorized funds available from the Government of the Province of Manitoba, in the amount of $8,239,348 have been drawn down as conditional working capital grants since the inception of Manitoba Mineral Resources Ltd. and netted against the deficit account. No such grants have been drawn down since 1983. These grants are non-interest bearing and conditional on the basis that they become repayable to the Province if, as and when exploration projects become profitable ventures.

9. Comparative Figures

Comparative figures for the year ended December 31, 1985 have been restated to conform with the presentation adopted for the current year.

Manitoba
Oil and Gas
Corporation

AUDITOR'S REPORT

To the Shareholders of The Manitoba Oil and Gas Corporation
We have examined the balance sheet of The Manitoba Oil and Gas Corporation as at December 31, 1986 and the statement of operations and deficit and changes in cash resources for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

March 25, 1987

Deloitte Haskins & Sells

BALANCE SHEET

Manitoba Oil and Gas Corporation

As at December 31, 1986	1986	1985
Assets		
Cash	$ 75,049	$ 139,373
Funds held in trust (note 4)	2,600,000	1,100,000
Accounts receivable	113,373	78,591
Drilling advances	115,963	255,320
Inventories	29,748	34,640
Deposits and prepaid expenses	23,890	7,193
	$ 2,958,023	$1,615,117
Property and equipment less accumulated depletion, depreciation and amortization (note 3)	$ 6,521,365	$3,157,318
	$ 9,479,388	$4,772,435

Liabilities		
Accounts payable	$ 479,755	$ 402,347
Equity, Province of Manitoba		
Share capital (note 4)	$10,000,000	$5,000,000
Deficit	1,000,367	629,912
	$ 8,999,633	$4,370,088
	$ 9,479,388	$4,772,435

The accompanying notes are an integral part of this balance sheet.

Approved on Behalf of the Board

Director

Director

Manitoba
Oil and Gas
Corporation

STATEMENT OF OPERATIONS AND DEFICIT

For the Year Ended December 31, 1986

	1986	1985
Revenue		
Petroleum sales	$ 484,134	$ 263,577
Less: Royalties	51,206	23,608
	$ 432,928	$ 239,969
Pipeline fees	169,737	165,780
Interest and other income	25,916	16,719
	$ 628,581	$ 422,468
Expenses		
Production and operating	$ 255,816	$ 91,192
General and administrative	457,262	347,850
Depletion, depreciation and amortization	$ 285.958	$ 117,954
	$ 999,036	$ 556,996
Net loss for the year	$ 370,455	$ 134,528
Deficit, beginning of year	$ 629,912	$ 495,384
Deficit, end of year	$ 1,000,367	$ 629,912

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN CASH RESOURCES

Manitoba
Oil and Gas
Corporation

For the Year Ended December 31, 1986

	1986	1985
Cash flow (deficiency) from operations		
Loss from operations	$ (370,455)	$ (134,528)
Items not affecting cash —		
Depletion, depreciation and amortization	285,958	117,954
Cash flow (deficiency) before working capital changes	$ (84,497)	$ (16,574)
(Increases) decreases in operating working capital —		
Accounts receivable	$ (18,128)	$ (57,099)
Inventories	4,892	(34,640)
Deposits and prepaid expenses	(16,697)	333
Accounts payable	43,583	14,697
	$ 13,650	$ (76,709)
	$ (70,847)	$ (93,283)
Capital expenditures		
Property and equipment	$(3,493,477)	$(2,653,281)
Financing activity		
Issuance of share capital	$ 5,000,000	—
Cash provided (required)	$ 1,435,676	$(2,746,564)
Cash, beginning of year	$ 1,239,373	$ 3,985,937
Cash, end of year	$ 2,675,049	$ 1,239,373

"Cash" comprises cash and funds held in trust.

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared by management in accordance with generally accepted accounting principles. The Corporation's more significant accounting policies are summarized below.

Joint Ventures

Substantially all of the Corporation's exploration activities are conducted jointly with others. These financial statements reflect only the Corporation's proportionate interest in such activities.

Petroleum and Natural Gas Properties

The Corporation follows the full cost method of accounting for oil and gas operations wherein all costs related to the exploration for and development of oil and gas reserves are capitalized. Such costs include lease acquisition costs, geological and geophysical expenditures, lease rentals on undeveloped properties, costs of drilling both productive and non productive wells and all technical and administrative overhead directly associated with exploration and development activities.

Proceeds received from disposals are credited against accumulated costs unless such a disposition would significantly alter the relationship between capitalized costs and proved reserves. Gains and losses on other property and equipment dispositions are recognized in the statement of operations.

Ceiling Test

The Corporation places a limit on the aggregate costs that can be capitalized as Petroleum and Natural Gas expenditures (the Ceiling Test) which conforms with the full cost accounting guideline issued by the Canadian Institute of Chartered Accountants. This "ceiling" is equal to the future net revenues from proved reserves, net of estimated future general and administrative costs, plus the lower of cost and fair market value of non producing properties.

In determining future revenues, the Company applied a price of $18.70 per barrel (1985 - $38.30) based on average posted prices during the year. No adjustment would be required if the year end price of $19.55 per barrel (1985 - $35.00) had been applied.

Depletion, Depreciation and Amortization

Depletion of oil and gas properties and depreciation of production equipment and facilities is calculated using the unit-of-production method based on estimated proved reserves of oil and gas. Costs of acquiring and evaluating unproved properties are excluded from capitalized costs to be depleted until it is determined whether or not proved reserves are attributed to the properties or impairment in value has occurred.

Cumulative expenditures excluded from costs subject to depletion and depreciation were $1,742,400 (1985 - $1,035,400).

Depreciation on other equipment is calculated at rates ranging from twenty to twenty-five percent. Leasehold improvements are amortized over the remaining term of the lease plus one renewal period.

Capitalized Costs

In applying the full cost method of accounting the Company capitalized general and administrative costs directly associated with exploration and development totalling $280,300 (1985 - $225,000).

2. STATUS OF THE CORPORATION

The Manitoba Oil and Gas Corporation was established as a Crown Corporation under the Manitoba Oil and Gas Corporation Act, Bill 4, in 1983. Under the provisions of its Act, the Corporation conducts activities to promote exploration and development of oil and gas as a direct participant in the industry.

3. PROPERTY AND EQUIPMENT

		1986		1985
	Cost	**Accumulated Depreciation Depletion & Amortization**	**Net Book Value**	Net Book Value
Petroleum and natural gas properties including exploration and development thereon	**$5,462,665**	**$313,916**	**$5,148,749**	$2,304,262
Pipeline investment	**526,399**	**116,390**	**410,009**	437,823
Production equipment	**767,446**	**46,800**	**720,646**	204,735
Other	**330,881**	**88,920**	**241,961**	210,498
	$7,087,391	**$566,026**	**$6,521,365**	$3,157,318

4. SHARE CAPITAL

As a Crown corporation, the Corporation issues share certificates to the Minister of Finance in exchange for equity financing. Proceeds available to the Corporation in respect of shares issued are held in trust by the Minister to be advanced as funds are required to finance operations.

Undisbursed funds held in trust are non interest-bearing to the Corporation.

Authorized

The Corporation is authorized to issue 200,000 shares for maximum consideration of $20,000,000.

Issued

	1986		1985	
	Shares	**Amount**	Shares	Amount
Beginning of year	**50,000**	**$ 5,000,000**	50,000	$5,000,000
Issued	**50,000**	**5,000,000**	—	—
End of year	**100,000**	**$10,000,000**	50,000	$5,000,000
Proceeds advanced		**7,400,000**		3,900,000
Funds held in Trust		**$2,600,000**		$1,100,000

5. EMPLOYEE PENSION PLAN

Under the terms of the Company's pension plan, employee contributions are matched by the Corporation and these amounts are contributed to money-purchase pension plans. As a result, there are no unfunded pension plan liabilities and no outstanding corporate obligations.

6. COMMITMENTS

The Corporation has lease commitments of $57,000 per year for the next three years.

PROVINCIAL AUDITOR'S CERTIFICATE

We have examined the Statement of Marketing and Consortium Development Expenditures submitted by the Department of Energy and Mines for costs incurred on behalf of the Manitoba Potash Corporation Joint Venture for the year ended December 31, 1986. Our review was made in accordance with generally accepted auditing standards, and included such tests and other procedures as we considered necessary.

In our opinion this statement presents fairly the expenditures incurred by the Department of Energy and Mines on behalf of the Manitoba Potash Corporation Joint Venture, for the year ended December 31, 1986.

JMMartin

J. M. Martin, C.A.,
Audit Manager,
Provincial Auditor's Office.

THE PROVINCE OF MANITOBA

Manitoba Potash Corporation Joint Venture
Statement of Marketing and Consortium Development Expenditures
for the twelve months ending December 31, 1986

Market Development	$ 449,615
Marketing Missions	84,233
Industry Promotion	39,647
Consortium Negotiation	11,024
Transportation Studies	119,165
Operating	35,183
	$ 738,867

Thorne Ernst & Whinney
Chartered Accountants

Suite 300
386 Broadway
Winnipeg, Manitoba, Canada
R3C 0A9

(204) 957-1770

AUDITORS' REPORT

To the Shareholders of
Manitoba Properties Inc.

We have examined the balance sheet of Manitoba Properties Inc. as at January 31, 1987 and the statements of income and retained earnings, contributed surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at January 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

March 31, 1987

Thorne Ernst & Whinney

MANITOBA PROPERTIES INC.
(Incorporated under the laws of Canada)

BALANCE SHEET

	January 31	
ASSETS	1987	1986
CURRENT ASSETS		
Cash	$ 14,883	$ 112,991
Funds on deposit with the Province of Manitoba	869,421	-
Accounts receivable	5,254,721	3,589,507
Prepaid expenses	16,592	16,545
	6,155,617	3,719,043
FIXED ASSETS		
Land	57,988,293	57,940,430
Buildings	858,631,746	854,027,246
	916,620,039	911,967,676
Accumulated depreciation	41,073,045	19,607,251
	875,546,994	892,360,425
CONSTRUCTION IN PROGRESS (note 6)	8,031,379	-
	$ 889,733,990	$ 896,079,468
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 516,013	$ 395,703
Accrued interest payable	1,977,939	1,438,774
	2,493,952	1,834,477
NOTES PAYABLE, Province of Manitoba (note 2)	196,211,123	182,523,002
DEFERRED INCOME TAXES (note 3)	16,372,554	8,497,287
	215,077,629	192,854,766
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 4)	399,173,725	399,173,625
CONTRIBUTED SURPLUS	131,709,786	129,853,144
RETAINED EARNINGS	143,772,850	174,197,933
	674,656,361	703,224,702
	$ 889,733,990	$ 896,079,468

Commitment (note 6)

APPROVED BY THE BOARD:

Director

Director

MANITOBA PROPERTIES INC.

STATEMENT OF INCOME AND RETAINED EARNINGS

	Year ended January 31	
	1987	1986
Revenue		
Rent	$ 58,950,506	$ 39,170,522
Interest	180	8,543,032
	58,950,686	47,713,554
Expenses		
Administrative	562,500	447,660
Depreciation	21,465,794	13,530,376
Interest on long-term debt	22,518,129	16,781,811
Professional fees	33,340	35,943
	44,579,763	30,795,790
Income before income taxes	14,370,923	16,917,764
Deferred income taxes	7,875,267	8,797,237
NET INCOME	6,495,656	8,120,527
Retained earnings at beginning of year	174,197,933	199,784,140
	180,693,589	207,904,667
Dividends paid on preferred shares	36,920,739	33,706,734
RETAINED EARNINGS AT END OF YEAR	$ 143,772,850	$ 174,197,933

STATEMENT OF CONTRIBUTED SURPLUS

	Year ended January 31	
	1987	1986
Balance at beginning of year	$ 129,853,144	$ -
Excess of consideration received over the stated value of the issued common shares	1,856,642	129,853,144
BALANCE AT END OF YEAR	$ 131,709,786	$ 129,853,144

MANITOBA PROPERTIES INC.

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended January 31 1987	1986
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net income	$ 6,495,656	$ 8,120,527
Items not involving cash		
Depreciation	21,465,794	13,530,376
Deferred income taxes	7,875,267	8,797,237
Change in non-cash operating working capital	(1,005,786)	(145,253)
	34,830,931	30,302,887
FINANCING		
Reduction of notes payable	(22,000)	-
Issue of notes payable	13,710,121	53,545,371
Issue of preferred shares	-	180,123,125
Issue of common shares	1,856,742	129,863,144
Dividends paid on preferred shares	(36,920,739)	(33,706,734)
	(21,375,876)	329,824,906
INVESTMENT		
Proceeds from sale of land	22,000	-
Construction in progress	(8,031,379)	-
Additions to fixed assets	(4,674,363)	(378,972,640)
	(12,683,742)	(378,972,640)
INCREASE (DECREASE) IN CASH POSITION	771,313	(18,844,847)
Cash position at beginning of year	112,991	18,957,838
CASH POSITION AT END OF YEAR	$ 884,304	$ 112,991

Cash position is defined as cash and funds on deposit with the Province of Manitoba.

MANITOBA PROPERTIES INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JANUARY 31, 1987

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Fixed assets are recorded at cost. Depreciation on the buildings is recorded in the accounts on a straight-line basis over forty years.

Capitalization of costs

Legal costs incurred in the process of acquiring land and buildings are added to the acquisition cost of these fixed assets.

Interest costs incurred to finance construction in progress are added to the total cost of construction in progress.

2. NOTES PAYABLE, PROVINCE OF MANITOBA

	1987	1986
13% Note payable, interest payable quarterly, due 1994	$ 128,955,631	$ 128,977,631
10 1/2% Demand note payable, interest payable quarterly, no fixed terms of repayment	4,875,000	3,600,000
10% Note payable, interest payable quarterly, due 1994	52,730,492	49,945,371
9% Demand note payable, interest payable quarterly, no fixed terms of repayment	1,650,000	-
8 1/2% Demand note payable, interest payable quarterly, no fixed terms of repayment	6,450,000	-
8% Demand note payable, interest payable quarterly, no fixed terms of repayment	1,550,000	-
	$ 196,211,123	$ 182,523,002

3. DEFERRED INCOME TAXES

As at January 31, 1987, the company has losses carried forward of approximately $14,022,000 which are available to reduce future years' income for tax purposes. These losses will expire $6,650,000 in 1992; $2,443,000 in 1993 and $4,929,000 in 1994. The potential tax benefit has been recorded in the accounts as a reduction of deferred income taxes.

4. CAPITAL STOCK

Authorized share capital is as follows:

Unlimited number of cumulative, redeemable retractable preferred shares

Unlimited number of common shares with a stated value of $1 per share

4. CAPITAL STOCK (continued)

	1987		1986	
	Shares	Amount	Shares	Amount
Issued				
9 1/4% Cumulative, redeemable, retractable series A preferred shares				
Balance at beginning of year	15,965,725	$ 399,143,125	8,760,800	$ 219,020,000
Add issued for cash on exercise of warrants	-	-	7,204,925	180,123,125
Balance at end of year	15,965,725	399,143,125	15,965,725	399,143,125
Common shares				
Balance at beginning of year	30,500	30,500	20,500	20,500
Add issued as partial consideration for fixed assets acquired, at a stated value of $1 per share	100	100	10,000	10,000
Balance at end of year	30,600	30,600	30,500	30,500
		$ 399,173,725		$ 399,173,625

Each series A preferred share is retractable for the issue price of $25 per share on June 30, 1989 and is redeemable on the following basis:

June 30, 1989 to June 29, 1990	$ 26.00
June 30, 1990 to June 29, 1991	25.80
June 30, 1991 to June 29, 1992	25.60
June 30, 1992 to June 29, 1993	25.40
June 30, 1993 to June 29, 1994	25.20
June 30, 1994 on	25.00

MANITOBA PROPERTIES INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JANUARY 31, 1987

5. RELATED PARTY TRANSACTIONS

(a) The common shares of the company are owned by two Crown corporations of the Province of Manitoba.

During 1987 the company purchased additional land and buildings, at their fair market value of $4,641,863 from its two shareholder companies. These fixed assets had been acquired by the two shareholder companies from the Province of Manitoba immediately before the purchases at the same price. The following consideration was given for the acquisitions:

(i) note payable, interest at 10%, payable quarterly, due 1994	$ 2,785,121
(ii) 100 common shares, stated capital of $1 per share	1,856,742
	$ 4,641,863

At January 31, 1987 registered titles to these and other properties were in the process of being transferred to the company. Until registered titles are transferred, the Province of Manitoba is holding the properties for the company pursuant to trust agreements.

During the year the company also sold land at its fair market value of $22,000 to the company's two major shareholders. As consideration, one of the company's notes payable was reduced by $22,000.

(b) The company has entered into lease agreements with the Province of Manitoba. The lease agreements have terms of ninety-nine years and provide for the renegotiation of rental payments every five years. Under the terms of the leases the Province of Manitoba, as tenant, is responsible for all maintenance and replacement cost of the properties.

(c) Excess funds are placed on deposit with the Province of Manitoba. Interest earned on these funds is on the same terms and conditions as the Province offers other depositors through its trust deposit facility.

6. COMMITMENT

The company has contracted with the Province of Manitoba for the development of new property and has embarked upon a programme of upgrading the value of certain of the properties acquired by it from the Province of Manitoba.

To January 31, 1987, the total expenditure on these activities amounted to $8,031,379, including capitalized interest of $210,275. The estimated expenditure to complete these activities is approximately $44,752,000.

Thorne Ernst & Whinney
Chartered Accountants

Suite 300
386 Broadway
Winnipeg, Manitoba, Canada
R3C 0A9

(204) 957-1770

AUDITORS' REPORT

To the Shareholder of
Manitoba Properties Leasing Inc.

We have examined the balance sheet of Manitoba Properties Leasing Inc. as at December 31, 1986 and the statements of deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles except that the investment in Manitoba Properties Inc. is not accounted for by the equity method as explained in note 1, applied on a basis consistent with that of the preceding year.

Thorne Ernst + Whinney

June 2, 1987

MANITOBA PROPERTIES LEASING INC.
(Incorporated under the laws of Canada)

BALANCE SHEET

	December 31 1986	December 31 1985
ASSETS		
Cash	$ 304	$ 1,308
Investment in Manitoba Properties Inc., a 50% owned company, 15,300 common shares	170,510,891	104,650,948
	$ 170,511,195	$ 104,652,256
LIABILITIES		
Accounts payable	$ 1,000	$ 1,000
SHAREHOLDER'S EQUITY		
Capital stock 170,495,391 Common shares	170,513,381	104,653,438
Deficit	3,186	2,182
	170,510,195	104,651,256
	$ 170,511,195	$ 104,652,256

Contingent liability (note 2)

MANITOBA PROPERTIES LEASING INC.

STATEMENT OF DEFICIT

	Year ended December 31 1986	Year ended December 31 1985
Deficit at beginning of year	$ 2,182	$ 1,255
Administrative costs, being loss for the year	1,004	927
DEFICIT AT END OF YEAR	$ 3,186	$ 2,182

MANITOBA PROPERTIES LEASING INC.

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31 1986	 1985
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Administrative expenses, being loss for the year	$ (1,004)	$ (927)
FINANCING		
Issue as partial consideration for purchase of 50% undivided interest in fixed assets		
Note payable	26,365,246	-
Common shares	65,859,943	-
Assumption of note payable by Manitoba Properties Inc. upon sale of 50% undivided interest in fixed assets	(26,365,246)	-
	65,859,943	-
INVESTMENTS		
Purchase of 50% undivided interest in fixed assets	(132,399,636)	(59,397,117)
Acquisition of 5,050 common shares of Manitoba Properties Inc. upon sale of 50% undivided interest in fixed assets	(65,859,943)	-
Sale of 50% undivided interest in fixed assets	132,399,636	59,397,117
	(65,859,943)	-
DECREASE IN CASH	(1,004)	(927)
Cash at beginning of year	1,308	2,235
CASH AT END OF YEAR	$ 304	$ 1,308

MANITOBA PROPERTIES LEASING INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in Manitoba Properties Inc., a 50% owned company

The investment in Manitoba Properties Inc. is recorded by the cost method. Under the cost method, investments are carried at cost and earnings are reflected only to the extent of dividends received.

The Canadian Institute of Chartered Accountants has recommended that the equity method normally be used to account for investments of this type of investment. However, in this case, the shareholder has access to all pertinent information concerning the resources and results of operations of Manitoba Properties Inc. and has decided to record the investment at cost. As these financial statements have not been prepared for general purposes, some users may require further information.

In all other respects, these financial statements have been prepared in accordance with generally accepted accounting principles.

2. CONTINGENT LIABILITY

The company is contingently liable to the Province of Manitoba for the following promissory notes assumed by Manitoba Properties Inc:

Year assumed	Amount	Due date
1984	$ 128,955,631	July 31, 1994
1986	49,945,371	July 31, 1994
1986	2,785,121	July 31, 1994
	$ 181,686,123	

Thorne Ernst & Whinney
Chartered Accountants

Suite 300
386 Broadway
Winnipeg, Manitoba, Canada
R3C 0A9

(204) 957-1770

AUDITORS' REPORT

To the Shareholder of
Manitoba Properties Management Inc.

We have examined the balance sheet of Manitoba Properties Management Inc. as at December 31, 1986 and the statements of deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles except that the investment in Manitoba Properties Inc. is not accounted for by the equity method as explained in note 1, applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

June 2, 1987

MANITOBA PROPERTIES MANAGEMENT INC.
(Incorporated under the laws of Canada)

BALANCE SHEET

	December 31	
ASSETS	1986	1985
Cash	$ 316	$ 1,308
Investment in Manitoba Properties Inc., a 50% owned company, 15,300 common shares	170,510,891	104,650,948
	$ 170,511,207	$ 104,652,256
LIABILITIES		
Accounts payable	$ 1,000	$ 1,000
SHAREHOLDER'S EQUITY		
Capital stock 170,495,391 Common shares	170,513,381	104,653,438
Deficit	3,174	2,182
	170,510,207	104,651,256
	$ 170,511,207	$ 104,652,256

Contingent liability (note 2)

MANITOBA PROPERTIES MANAGEMENT INC.

STATEMENT OF DEFICIT

	Year ended December 31 1986	Year ended December 31 1985
Deficit at beginning of year	$ 2,182	$ 1,255
Administrative costs, being loss for the year	992	927
DEFICIT AT END OF YEAR	$ 3,174	$ 2,182

MANITOBA PROPERTIES MANAGEMENT INC.

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31 1986	 1985
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Administrative expenses, being loss for the year	$ (992)	$ (927)
FINANCING		
Issue as partial consideration for purchase of 50% undivided interest in fixed assets		
Note payable	26,365,246	-
Common shares	65,859,943	-
Assumption of note payable by Manitoba Properties Inc. upon sale of 50% undivided interest in fixed assets	(26,365,246)	-
	65,859,943	-
INVESTMENTS		
Purchase of 50% undivided interest in fixed assets	(132,399,636)	(59,397,117)
Acquisition of 5,050 common shares of Manitoba Properties Inc. upon sale of 50% undivided interest in fixed assets	(65,859,943)	-
Sale of 50% undivided interest in fixed assets	132,399,636	59,397,117
	(65,859,943)	-
DECREASE IN CASH	(992)	(927)
Cash at beginning of year	1,308	2,235
CASH AT END OF YEAR	$ 316	$ 1,308

MANITOBA PROPERTIES MANAGEMENT INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in Manitoba Properties Inc., a 50% owned company

The investment in Manitoba Properties Inc. is recorded by the cost method. Under the cost method, investments are carried at cost and earnings are reflected only to the extent of dividends received.

The Canadian Institute of Chartered Accountants has recommended that the equity method normally be used to account for investments of this type of investment. However, in this case, the shareholder has access to all pertinent information concerning the resources and results of operations of Manitoba Properties Inc. and has decided to record the investment at cost. As these financial statements have not been prepared for general purposes, some users may require further information.

In all other respects, these financial statements have been prepared in accordance with generally accepted accounting principles.

2. CONTINGENT LIABILITY

The company is contingently liable to the Province of Manitoba for the following promissory notes assumed by Manitoba Properties Inc.:

Year assumed	Amount	Due date
1984	$ 128,955,631	July 31, 1994
1986	49,945,371	July 31, 1994
1986	2,785,121	July 31, 1994
	$ 181,686,123	

Auditors' Report

The Board of Directors
The Manitoba Public Insurance Corporation.

We have examined the balance sheet of The Manitoba Public Insurance Corporation as at October 31, 1986, and the statements of operations, retained earnings (deficit) and changes in cash and short-term investments for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at October 31, 1986, and the results of its operations and the changes in its cash and short-term investments for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Spicer MacGillivray

Spicer MacGillivray
Chartered Accountants
Winnipeg, Manitoba
January 9, 1987

Statement of Operations – Automobile Insurance Division

For The Year Ended October 31, 1986

(Thousands of $)

	1986	1985
REVENUE		
Premiums Written	$220,337	$204,127
Premiums Earned	$215,003	$200,733
Investment Income	36,698	35,324
Total Earned Revenues	$251,701	$236,057
CLAIMS COSTS		
Claims Incurred	$219,172	$182,205
Claims Expense – Schedule 1	25,292	21,733
	$244,464	$203,938
EXPENSES – Schedule 1		
Administrative	$ 9,280	$ 7,313
Commissions	10,189	9,376
Premium Taxes	6,541	6,105
	$ 26,010	$ 22,794
Total Claims and Expenses	$270,474	$226,732
Net (Loss) Profit for the Year – Statement 4	$ (18,773)	$ 9,325

Statement of Operations – General Insurance Division

For The Year Ended October 31, 1986

(Thousands of $)

	1986	1985
REVENUE		
Premiums Written	$ 37,050	$ 26,868
Premiums Earned	$ 34,768	$ 23,979
Investment Income	3,152	2,276
Total Earned Revenues	$ 37,920	$ 26,255
CLAIMS COSTS		
Claims Incurred	$ 24,619	$ 16,714
Claims Expense – Schedule 1	1,743	1,410
	$ 26,362	$ 18,124
EXPENSES – Schedule 1		
Administrative	$ 6,246	$ 4,751
Commissions	6,353	4,719
Premium Taxes	1,610	1,137
	$ 14,209	$ 10,607
Total Claims and Expenses	$ 40,571	$ 28,731
Net (Loss) Profit Before Reinsurance Assumed Operations	$ (2,651)	$ (2,476)
Net (Loss) Profit From Reinsurance Assumed Operations (Note 13)	(36,683)	(2,388)
Net (Loss) Profit for the Year – Statement 4	$ (39,334)	$ (4,864)

The Manitoba Public Insurance Corporation *Statement 3*

Balance Sheet As At October 31, 1986

Assets

(Thousands of $)

	1986	1985
Cash and investments maturing within one year (Note 6)	$ 66,308	$ 39,471
Accounts receivable (Note 7)	30,571	30,228
Prepaid expenses and inventories	1,169	1,034
Deferred premium acquisition costs	10,693	9,515
Investments – Schedule 2	279,516	281,755
Property and equipment (Note 8)	12,907	11,848
Organizational expenses (Note 9)	4,748	4,869
	$405,912	$378,720

Liabilities and Retained Earnings (Deficit)

(Thousands of $)

	1986	1985
General accounts payable	$ 3,391	$ 2,990
Provision for accrued charges	18,827	15,731
	$ 22,218	$ 18,721
Automobile Insurance Division		
Accounts payable and accrued charges	$ 4,807	$ 5,322
Unearned premiums	78,489	73,155
Unpaid claims	196,648	166,711
Retained earnings – Statement 4	52,496	71,269
	$332,440	$316,457
General Insurance Division		
Accounts payable and accrued charges	$ 2,577	$ 1,056
Unearned premiums	18,880	15,907
Unpaid claims	74,498	31,946
(Deficit) – Statement 4	(44,701)	(5,367)
	$ 51,254	$ 43,542
	$405,912	$378,720

Statement of Retained Earnings (Deficit)

For The Year Ended October 31, 1986

(Thousands of $)

	1986	1985
AUTOMOBILE INSURANCE DIVISION		
Unappropriated retained earnings at the beginning of the year	$ —	$ —
Net (loss) profit for the year – Statement 1	(18,773)	9,325
Transfer (to) from reserve for catastrophes	—	(3,500)
Transfer (to) from reserve for contingencies	5,300	—
Transfer (to) from reserve for rate stabilization	13,473	(5,825)
Unappropriated retained earnings at the end of the year	$ —	$ —
Appropriated retained earnings		
Reserve for catastrophes (Note 11)	$ 42,000	$ 42,000
Reserve for contingencies (Note 11)	700	6,000
Reserve for rate stabilization (Note 12)	9,796	23,269
	$ 52,496	$ 71,269
Total retained earnings – Statement 3	$ 52,496	$ 71,269
GENERAL INSURANCE DIVISION		
(Deficit) at the beginning of the year	$ (5,367)	$ (503)
Net Loss for the year – Statement 2	(39,334)	(4,864)
(Deficit) at the end of the year	$ (44,701)	$ (5,367)
Total (deficit) – Statement 3	$ (44,701)	$ (5,367)

Statement of Changes in Cash and Short-Term Investments

For The Year Ended October 31, 1986

(Thousands of $)

	1986	1985
RESOURCES PROVIDED FROM (APPLIED TO) OPERATIONS		
Net (loss) profit for the year – Statements 1 and 2	$ (58,107)	$ 4,461
Add adjustments to convert net (loss) profit to a cash basis:		
Depreciation and amortization	1,227	899
	$ (56,880)	$ 5,360
INCREASE (DECREASE) IN RESOURCES		
Accounts receivable	$ (343)	$ (9,894)
Prepaid expenses and inventories	(135)	(74)
Deferred premium acquisition costs	(1,178)	(1,525)
Accounts payable and accrued charges	4,503	3,589
Unearned premiums	8,307	8,012
Unpaid claims	72,489	26,071
	$ 26,763	$ 31,539
RESOURCES PROVIDED FROM (APPLIED TO) INVESTING ACTIVITIES		
Acquisition of property and equipment, net of proceeds from disposals	$ (1,865)	$ (4,275)
Decrease (increase) in long-term investments	2,239	(40,824)
Organizational expenses	(300)	(1,123)
Net increase (decrease) in cash and short-term investments	$ 26,837	$(14,683)
Cash and short-term investments – beginning of year	39,471	54,154
Cash and short-term investments – end of year (Note 6)	$ 66,308	$ 39,471

The Manitoba Public Insurance Corporation *Schedule 1*

Schedule of Expenses Incurred

For The Year Ended October 31, 1986

(Thousands of $)

	1986	1985
Amortization of organizational expenses	$ 420	$ 285
Commissions	20,062	17,298
Data processing	2,732	1,452
Depreciation and amortization	807	614
Employee travel and sustenance allowance	531	511
Grants in lieu of taxes	583	481
Health and education tax	425	376
Premium taxes	8,150	7,241
Rent	1,417	1,373
Salaries and employee benefits	31,222	27,096
Other administrative expenses	5,500	3,433
Total expenses incurred	$ 71,849	$ 60,160
Allocation:		
Automobile Insurance Division – Statement 1		
Claims expense	$ 25,292	$ 21,733
Administrative expense	9,280	7,313
Commissions	10,189	9,376
Premium taxes	6,541	6,105
	$ 51,302	$ 44,527
General Insurance Division – Statement 2		
Direct, net of reinsurance ceded		
Claims expense	$ 1,743	$ 1,410
Administrative expense	6,246	4,751
Commissions	6,353	4,719
Premium taxes	1,610	1,137
	$ 15,952	$ 12,017
Reinsurance assumed (Note 13)		
Administrative expense	$ 1,075	$ 413
Commissions	3,520	3,203
	$ 4,595	$ 3,616
	$ 20,547	$ 15,633
Total	$ 71,849	$ 60,160

Schedule of Investments as at October 31, 1986

Description of Securities	Par Value	Book Value
Federal:		
Government of Canada	$ 15,000,000	$ 14,854,000
Provincial:		
Province of Manitoba	$ 89,222,000	$ 88,808,000
Manitoba Hydro-Electric Board	24,502,000	23,222,000
Manitoba Telephone System	21,779,000	21,317,000
Ontario Hydro-Electric Commission	28,500,000	25,417,000
	$164,003,000	$158,764,000
Hospitals:		
Arborg and Districts Health Centre	$ 1,976,000	$ 1,976,000
Baldur Hospital District	155,000	155,000
Brandon General Hospital	1,472,000	1,462,000
Boissevain Hospital District	623,000	623,000
Boyne Valley Hostel Corporation	864,000	864,000
Carman Memorial Hospital District No. 20	2,949,000	2,949,000
Dauphin General Hospital	30,000	30,000
Deloraine Hospital District No. 14	467,000	467,000
The De Salaberry Hospital District No. 27A	151,000	151,000
Flin Flon General Hospital	480,000	480,000
Gimli Hospital District #39	369,000	369,000
Grace General Hospital	731,000	600,000
Hamiota Hospital District #7A	56,000	56,000
Health Sciences Centre	1,682,000	1,618,000
Hunter Memorial Hospital District #33	974,000	974,000
Lakeshore District Health System Inc.	2,388,000	2,388,000
Lakeshore General Hospital District No. 34-A	20,000	20,000
Lynn Lake Hospital District No. 38	69,000	69,000
MacGregor Personal Care Home	77,000	77,000
Manitoba Hospital Capital Financing Authority	3,362,000	3,362,000
Minnedosa Hospital District #8	18,000	18,000
Misericordia General Hospital	454,000	454,000
Morden Hospital District #21	475,000	475,000
Neepawa Hospital District #9	248,000	248,000
Park Manor Personal Care Home Inc.	108,000	108,000
Pine Falls General Hospital	210,000	210,000
Portage Hospital District #18	405,000	405,000
Red River Valley Health District	366,000	366,000
Roblin Health Centre District	640,000	640,000
Rossburn Personal Care Home Inc.	302,000	302,000
Russell Hospital District #8	320,000	320,000
St. Anthony's General Hospital – The Pas	480,000	480,000
St. Boniface General Hospital	40,000	35,000
Ste. Anne Hospital District No. 26A	1,636,000	1,636,000
Ste. Rose General Hospital	402,000	402,000
Seven Oaks General Hospital	2,605,000	2,177,000
Steinbach Hospital District #27	65,000	54,000

Schedule of Investments as at October 31, 1986 continued

Description of Securities	Par Value	Book Value
Swan River Hospital District #1	$ 324,000	$ 324,000
Thompson General Hospital	1,165,000	1,145,000
Tri-Lake Hospital District #15	39,000	39,000
Victoria General Hospital	2,353,000	2,341,000
Victoria South Norfolk-Treherne Hospital District #19	152,000	152,000
Winkler General Hospital	315,000	315,000
Winkler Hospital District No. 23	55,000	51,000
Winnipeg General Hospital	43,000	38,000
Winnipegosis General Hospital Inc.	150,000	150,000
Baldur Manor	275,000	275,000
Betel Home Foundation – Gimli	88,000	88,000
Betel Home Foundation – Selkirk	328,000	328,000
Bethania Mennonite Personal Care Home Inc.	40,000	40,000
Birtle Health Services District	401,000	401,000
Birtle Personal Care Home Inc.	9,000	9,000
B.M.W. Health Facilities Inc.	12,000	12,000
Dauphin Personal Care Home Inc.	322,000	322,000
Ebenezer Home For The Aged	464,000	464,000
Fairview Home Inc.	28,000	28,000
Flin Flon Personal Care Home Corp.	835,000	835,000
Goodwin Lodge Inc.	70,000	70,000
Holy Family Nursing Home-Sister Servants of Mary Immaculate	634,000	634,000
Lorne Memorial Medical Nursing Unit No. 19C	96,000	96,000
McCreary/Alonsa Health Centre	94,000	94,000
Manoir De Ste. Claude	140,000	140,000
Mount Carmel Clinic	1,702,000	1,702,000
North Norfolk MacGregor Medical Nursing Unit District No. 18A	253,000	253,000
Odd Fellows and Rebekahs Personal Care Home Inc.	220,000	220,000
Pinaow Wachi Inc.	145,000	145,000
Portage la Prairie Lions Care Hostel Inc.	51,000	51,000
Riverdale Health Services District	125,000	125,000
Riverdale Personal Care Home	110,000	110,000
Rock Lake Health District	835,000	835,000
Rock Lake Personal Care Home Inc.	205,000	205,000
Rosewood Lodge Inc.	40,000	40,000
Rossburn District Health Centre	595,000	595,000
St. Joseph's Residence	686,000	686,000
Shoal Lake/Strathclair Health Centre	134,000	134,000
Sister Servants of Mary Immaculate – St. Paul's Home	39,000	39,000
Snow Lake Medical Nursing Unit District #40	586,000	586,000
Stonewall & District Health Centre	215,000	215,000
Tabor Senior Citizens Home Inc.	562,000	562,000
Taché Nursing Centre	783,000	783,000
The Pas Health Complex Inc. – St. Paul's Residence	346,000	346,000
The Pas Health Complex Inc. – St. Anthony's General Hospital	477,000	477,000

Schedule of Investments as at October 31, 1986 continued

Description of Securities	Par Value	Book Value
Third Crossing Manor Inc.	$ 80,000	$ 80,000
Wawanesa & District Health Centre	33,000	33,000
Wawanesa Personal Care Home	230,000	230,000
Winnipeg Presbytery Society For Senior Citizens Homes In Winnipeg	40,000	40,000
Winnipegosis-Mossy River Personal Care Home Inc.	320,000	320,000
Whitemouth Medical Nursing Unit District #29A	162,000	162,000
	$ 45,075,000	$ 44,385,000
Schools:		
The Agassiz School Division #13	$ 940,000	$ 940,000
Antler River School Division No. 43	110,000	110,000
Assiniboine South School Division No. 3	256,000	256,000
Beautiful Plains School Division No. 31	56,000	56,000
Brandon School Division #40	766,000	766,000
Churchill School District No. 2264	48,000	48,000
Dauphin-Ochre School Area #1	1,647,000	1,647,000
Duck Mountain School Division #34	775,000	775,000
Flin Flon School Division #46	584,000	584,000
Fort Garry School Division No. 5	503,000	503,000
Frontier School Division No. 48	154,000	154,000
Garden Valley School Division No. 26	2,177,000	2,177,000
Hanover School Division #15	1,367,000	1,367,000
Interlake School Division #21	645,000	645,000
Lakeshore School Division No. 23	331,000	331,000
Leaf Rapids School Division #2460	236,000	236,000
Lord Selkirk School Division No. 11	1,055,000	1,055,000
Midland School Division No. 25	192,000	192,000
Morris-MacDonald School Division No. 19	283,000	283,000
Mystery Lake School Division No. 2355	1,507,000	1,507,000
Norwood School Division No. 8	151,000	151,000
Portage la Prairie School Division #24	1,665,000	1,665,000
Rhineland School Division #18	193,000	193,000
River East School Division #9	746,000	746,000
Rolling River School Division #39	576,000	576,000
St. James-Assiniboine School Division #2	303,000	303,000
St. Vital School Division #6	2,194,000	2,194,000
Seine River School Division #14	1,635,000	1,635,000
Seven Oaks School Division #10	214,000	214,000
Souris Valley School Division No. 42	192,000	192,000
South Winnipeg Technical Centre	872,000	872,000
South Winnipeg Vocational Education Centre	965,000	965,000
Swan Valley School Division #35	273,000	273,000
Tiger Hills School Division #29	863,000	863,000
Transcona School Division #12	241,000	241,000
Western School Division #47	108,000	108,000
Winnipeg School Division No. 1	5,305,000	5,305,000

Schedule of Investments as at October 31, 1986 continued

Description of Securities	Par Value	Book Value
The White Horse Plain School Division #20	$ 595,000	$ 595,000
	$ 30,723,000	$ 30,723,000
Municipal:		
City of Brandon	$ 1,651,000	$ 1,568,000
City of Flin Flon	1,696,000	1,696,000
City of Portage la Prairie	3,924,000	3,898,000
City of St. Vital	46,000	41,000
City of Transcona	139,000	125,000
City of Winnipeg	7,503,000	7,269,000
Metro Corp. of Greater Winnipeg	494,000	411,000
Town of Altona	537,000	537,000
Town of Birtle	62,000	61,000
Town of Boissevain	24,000	23,000
Town of Brandon	31,000	30,000
Town of Carman	480,000	480,000
Town of Dauphin	866,000	866,000
Town of Deloraine	550,000	550,000
Town of Emerson	311,000	311,000
Town of Gimli	116,000	116,000
Town of Gladstone	234,000	234,000
Town of Grandview	268,000	268,000
Town of Hartney	7,000	6,000
Town of Killarney	273,000	273,000
Town of Melita	319,000	319,000
Town of Minnedosa	196,000	189,000
Town of Morden	368,000	368,000
Town of Morris	248,000	248,000
Town of Neepawa	390,000	390,000
Town of Rapid City	106,000	106,000
Town of Rivers	51,000	45,000
Town of Roblin	203,000	202,000
Town of Russell	366,000	366,000
Town of Selkirk	425,000	423,000
Town of Snow Lake	85,000	85,000
Town of Steinbach	1,364,000	1,355,000
Town of Stonewall	265,000	265,000
Town of Swan River	450,000	450,000
Town of The Pas	9,000	8,000
Town of Tuxedo	70,000	64,000
Town of Virden	215,000	215,000
Town of Winkler	36,000	36,000
Town of Winnipeg Beach	52,000	52,000
Village of Arborg	74,000	74,000
Village of Benito	40,000	40,000
Village of Binscarth	73,000	73,000
Village of Ethelbert	11,000	11,000

Schedule of Investments as at October 31, 1986 continued

Description of Securities	Par Value	Book Value
Village of Glenboro	$ 6,000	$ 5,000
Village of Gretna	20,000	20,000
Village of Hamiota	26,000	26,000
Village of Lac du Bonnet	145,000	145,000
Village of MacGregor	78,000	78,000
Village of Manitou	129,000	129,000
Village of Pilot Mound	99,000	99,000
Village of Riverton	8,000	8,000
Village of Rossburn	50,000	50,000
Village of Shoal Lake	163,000	163,000
Village of Somerset	35,000	35,000
Village of Ste. Anne	6,000	6,000
Village of St. Pierre-Jolys	293,000	293,000
Village of Teulon	36,000	36,000
Village of Winnipegosis	41,000	41,000
Rural Municipality of Argyle	35,000	35,000
Rural Municipality of Brenda	50,000	50,000
Rural Municipality of Brokenhead	236,000	236,000
Rural Municipality of Cartier	9,000	9,000
Rural Municipality of Charleswood	18,000	16,000
Rural Municipality of Edward	130,000	130,000
Rural Municipality of Hanover	231,000	231,000
Rural Municipality of La Broquerie	23,000	23,000
Rural Municipality of MacDonald	348,000	348,000
Rural Municipality of Montcalm	170,000	170,000
Rural Municipality of Morris	559,000	559,000
Rural Municipality of Pipestone	11,000	11,000
Rural Municipality of North Norfolk	141,000	141,000
Rural Municipality of Ritchot	391,000	391,000
Rural Municipality of Rockwood	102,000	102,000
Rural Municipality of Roland	117,000	117,000
Rural Municipality of Ste. Rose	18,000	18,000
Rural Municipality of Siglunes	147,000	147,000
Rural Municipality of Springfield	25,000	25,000
Rural Municipality of Taché	22,000	22,000
Rural Municipality of Thompson	35,000	35,000
Rural Municipality of Victoria Beach	36,000	36,000
Rural Municipality of Whitewater	19,000	19,000
Local Government District of Consol	374,000	374,000
Local Government District of Leaf Rapids	2,264,000	2,264,000
	$ 31,274,000	$ 30,790,000
	$286,075,000	$279,516,000

Notes to the Financial Statements, October 31, 1986

1. Status of the Corporation.

The Manitoba Public Insurance Corporation was incorporated as a Crown Corporation under The Automobile Insurance Act in 1970. In 1974 The Automobile Insurance Act was revised and became The Manitoba Public Insurance Corporation Act (Chapter A180, of the continuing consolidation of the statutes of Manitoba).

Under the provisions of its Act, the Corporation conducts a comprehensive automobile program and general insurance business. For financial accounting purposes the automobile and general insurance divisions are regarded as separate operations.

2. Basis of Reporting.

The financial statements of the Corporation are in such form as prescribed by Section 37(1) of The Manitoba Public Insurance Corporation Act and are presented in accordance with generally accepted accounting principles.

3. Comparative Financial Information.

For comparative purposes, certain 1985 balances have been reclassified to conform with the 1986 financial statement presentation.

4. Statement of Changes in Cash and Short-Term Investments.

In order to comply with new recommendations issued by the Canadian Institute of Chartered Accountants, the Corporation has presented a Statement of Changes in Cash and Short-Term Investments. For comparative purposes, the former Statement of Changes in Financial Position (which focused on changes in investments and cash) has been amended to conform with the basis of presentation adopted for the current year.

5. Summary of Significant Accounting Policies.

This summary outlines those accounting policies followed by the Corporation which have a significant effect on the financial statements.

Deferred Premium Acquisition Costs.

Commissions and premium taxes are charged to expense over the terms of the insurance contracts to which such costs relate.

Investments.

Bonds and debentures are carried at cost plus accumulated amortization of discounts and premiums. The applicable discounts and premiums are amortized over the life of the investment.

Depreciation and Amortization.

Depreciation and amortization is provided on a straight-line basis at rates which will amortize the original cost over the estimated useful life of each asset. The annual rates are:

Buildings	2.5%
Organizational expenses	5.0%
Equipment	10.0%
Data processing equipment	20.0%
Automotive equipment	20.0%

Leasehold improvements are amortized over the term of the lease plus the first renewal period.

Pension Plan.

The employees of the Corporation are subject to the Civil Service Superannuation Act and it is the policy of the Corporation to provide for the employer's future pension liability which is fully funded on an indexed basis.

Unearned Premiums.

The liability for unearned premiums is the portion of premiums that relate to the unexpired term of each insurance contract.

Unpaid Claims.

Unpaid claims include a provision for reported unpaid claims, an estimate for unreported claims and a provision for future claims adjusting costs for reported and unreported claims.

Investment Income.

The investment income has been allocated to the automobile and general insurance divisions based on a monthly averaging of the funds available within each division.

Expenses.

The Corporation allocates expenses incurred to the automobile and general insurance divisions on the following basis:

i) Identifiable direct expenses are charged to each division.

Notes to the Financial Statements, (continued)

ii) Where direct allocation is impractical, expenses are allocated to each division based on a proration approved by the Corporation's Board of Directors.

Reinsurance Ceded.

The Corporation's financial statements are prepared net of ceded reinsurance.

6. a) Cash and Investments Maturing Within One Year.

	1986	1985
	(Thousands of $)	
Cash and Investment Certificates	**$50,552**	$32,388
Bonds and Debentures	**15,756**	7,083
	$66,308	**$39,471**

b) As at October 31, 1986 the Corporation has committed $8.8 million (1985 – $125,000) for the purchase of various Manitoba long term securities.

7. Accounts Receivable.

	1986		1985	
	Subrogation	Other	Subrogation	Other
	(Thousands of $)			
Accounts receivable	$ 9,806	$27,514	$ 8,355	$27,309
Less allowance for doubtful accounts	5,731	1,018	4,988	448
	$ 4,075	$26,496	$ 3,367	$26,861

8. Property and Equipment.

The cost of major classes of property and equipment and the related accumulated depreciation and amortization are:

	Cost	Accumulated Depreciation and Amortization	Net Book Value	
			1986	1985
		(Thousands of $)		
Land	$ 2,947	$ —	$ 2,947	$ 2,262
Buildings	9,376	1,635	7,741	7,552
Equipment	3,572	1,931	1,641	1,339
	$15,895	$ 3,566	$12,329	$11,153
Leasehold improvements	1,369	791	578	695
	$17,264	$ 4,357	$12,907	$11,848

9. Organizational Expenses.

	Cost	Accumulated Amortization	Net Book Value	
			1986	1985
		(Thousands of $)		
Automobile insurance division	$ 4,709	$ 3,296	$ 1,413	$ 1,649
General insurance division	4,019	684	3,335	3,220
	$ 8,728	$ 3,980	$ 4,748	$ 4,869

During the 1983 fiscal year the Corporation initiated a major project for the re-development of the general insurance system. The cost of this project has been capitalized and amortization commenced in the 1986 fiscal year at the straight-line rate of 5% per annum.

10. Prejudgment Interest.

In 1986, the Manitoba Legislature passed the Judgment Interest and Discount Act which provides for the payment of prejudgment interest calculated from the later of the accident date or September 10, 1986 to the date of judgment of the claim. A provision has been established and current year's claims incurred have been increased by $5.3 million to recognize the estimated liability for prejudgment interest on unsettled claims as at October 31, 1986.

11. Reserves for Catastrophes and Contingencies.

These reserves will assist in protecting the Corporation against future catastrophic losses and unforeseen events that may arise.

12. Reserve for Rate Stabilization.

This reserve may be utilized to offset increases in insurance rates or for providing increased benefits under the automobile plan.

13. Net Loss from Reinsurance Assumed Operations.

The Corporation underwrites a portfolio of assumed reinsurance, which accepts a portion of the risk of other insurers. For the year ended October 31, 1986 the results are:

Notes to the Financial Statements,

(continued)

	(Thousands of $) 1986	1985
Premiums written	$ 18,096	$ 15,556
Premiums earned	$ 17,406	$ 13,828
Investment income	2,023	1,807
Total earned revenues	$ 19,429	$ 15,635
Claims incurred	$ 51,517	$ 14,407
Administrative expenses	1,075	413
Commissions	3,520	3,203
Total claims and expenses	$ 56,112	$ 18,023
Net (Loss) Profit from Reinsurance Assumed Operations	$ (36,683)	$ (2,388)

As a result of deteriorating claims development and new information received during the current year, the Corporation recognized the severity of unreported claims, principally in the international pro-rata retrocession line of business, by recording an additional provision for unreported claims of $36.0 million. This line of business has been discontinued and new underwriting guidelines have been established to prevent future participation in the international pro-rata retrocession business. Future participation in the reinsurance business will principally be restricted to the Canadian market.

The unreported claims pertain to previous years but to comply with generally accepted accounting principles the provision must be recorded in the current year's statement of operations and is included in claims incurred of $51.5 million.

Manitoba

THE MANITOBA RESEARCH COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Manitoba Research Council for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statements present fairly the financial position of The Manitoba Research Council as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

June 30, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA RESEARCH COUNCIL

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
ASSETS		
Current:		
Cash	$ 5,500	$ 5,500
Funds on deposit with the Minister of Finance:		
Trust accounts	331,821	815,704
Term deposits	1,416,628	839,595
	1,748,449	1,655,299
Accounts receivable:		
Government of the Province of Manitoba	250,019	38,400
Government of Canada	85,842	70,411
Other	369,278	785,517
	705,139	894,328
Less: Allowance for doubtful accounts	13,437	259,016
	691,702	635,312
	2,445,651	2,296,111
Fixed: at cost (Notes 2 and 3)	7,456,631	6,915,111
	$ 9,902,282	$ 9,211,222
LIABILITIES		
Current:		
Accounts payable	$ 432,955	$ 427,611
Advances on contracts	81,181	98,876
	514,136	526,487
Loan payable (Note 5)	90,306	98,752
Investment in fixed assets (Note 2)	7,456,631	6,915,111
Unexpended funds, Exhibit B	1,841,209	1,670,872
	$ 9,902,282	$ 9,211,222

Exhibit B

THE MANITOBA RESEARCH COUNCIL

Statement of Revenue and Expenditure and Unexpended Funds for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Revenue:		
Grants from the Government of the Province of Manitoba	$ 2,957,000	$ 3,063,799
Contracts	2,330,778	2,295,491
Interest	77,033	35,600
Total revenue	5,364,811	5,394,890
Expenditure, Schedule 1:		
Operating	4,652,954	4,622,043
Capital	541,520	634,609
Total expenditure	5,194,474	5,256,652
Excess of revenue over expenditure	170,337	138,238
Balance of unexpended funds at beginning of year	1,670,872	1,532,634
Unexpended funds at end of year	$ 1,841,209	$ 1,670,872

Schedule 1

THE MANITOBA RESEARCH COUNCIL

Schedule of Expenditures
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Expenditures:		
Operating: (Note 4)		
Advertising and promotion	$ 11,935	$ 24,080
Bad debts	14,386	143,617
Building maintenance and repair	63,298	51,146
Computer related expenses	123,673	152,530
Equipment-rentals, maintenance and repair	38,475	36,206
Fees-memberships, seminars, customs and audit	109,440	83,435
Heating, utilities and taxes	154,941	136,042
Interest on loan	13,821	14,959
Laboratory supplies	233,833	224,572
Library - consultants and publications	75,931	125,513
Miscellaneous	182	-
Postage and telephone	110,637	82,439
Printing and stationery supplies	83,864	59,683
Purchased testing services	125,571	173,576
Real estate rental	156,660	176,388
Salaries and employee benefits	3,176,601	2,992,083
Staff transfer and relocation costs	7,067	8,946
Travel and transportation	152,639	136,828
	4,652,954	4,622,043
Capital: (Note 3)		
Equipment and furnishings	541,520	554,677
Buildings	-	80,000
Leasehold improvements	-	(68)
	541,520	634,609
Total expenditures, Exhibit B	$ 5,194,474	$ 5,256,652

THE MANITOBA RESEARCH COUNCIL

Notes to Financial Statements for the year ended March 31, 1987

1. Nature of Operations

The Manitoba Research Council was established in 1963 with the following objectives:

a) to promote and carry on research and scientific enquiries respecting agriculture, natural resources, industry or other segments of the economy of the province; and

b) to secure for Manitoba the benefits of research and scientific enquiries carried on elsewhere.

The Manitoba Research Council operates two laboratory facilities, the Canadian Food Products Development Centre in Portage la Prairie and the Industrial Technology Centre in Winnipeg.

2. Significant Accounting Policies

These statements are prepared on an accrual basis of accounting except:

a) Contract revenue is recognized when billed. Billings are made as work is completed during the project.

b) Fixed assets are charged to operating expenditures in the year of acquisition.

Fixed assets are then capitalized at cost with a corresponding amount being reflected in "Investment in Fixed Assets". (Note 3)

3. Fixed Assets

	Balance March 31, 1986	Acquisitions	Balance March 31, 1987
Automobiles	$ 30,000	$ -	$ 30,000
Building	80,000	-	80,000
Equipment	6,045,178	539,889	6,585,067
Furniture and fixtures	367,968	1,631	369,599
Leasehold improvements	391,965	-	391,965
	$ 6,915,111	$ 541,520	$ 7,456,631

Fixed Assets: (continued)

During the previous year, the building and associated land owned by The Manitoba Research Council for the Canadian Food Products Development Centre facility were transferred to Manitoba Properties Inc. The Council retains the use of these buildings and continues to pay the related operating costs exclusive of rent which is paid from an appropriation of the Government of the Province of Manitoba. This transfer was reflected by a reduction in fixed assets and investment in fixed assets of $1,202,321.

The building acquired for $80,000 in 1986 is located on land leased from the City of Winnipeg. The lease expires December 31, 1988, with the building then reverting to the City of Winnipeg.

4. Administrative Expenditures

The Department of Industry, Trade and Technology incurs certain general and administrative expenses on behalf of the Council which are estimated to be $37,500 for 1987 (1986 - $48,500). The related costs of this service are not charged to the Council and are not reflected in these financial statements.

5. Loan Payable

During fiscal year 1983/84, certain improvements were made to the facilities of the Industrial Technology Centre at a cost of $117,000. The cost was financed by way of a loan repayable over ten years in equal monthly installments of $1,855.63 including principal and interest. As at March 31, 1987, the outstanding loan principle amount was $90,306.10.

ARTHUR ANDERSEN & CO.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To the Board of Commissioners of
The Manitoba Telephone System:

We have examined the balance sheets of THE MANITOBA TELEPHONE SYSTEM (a Manitoba corporation) as at March 31, 1987 and 1986 and the related statements of operations and reinvested earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at March 31, 1987 and 1986 and the results of its operations and the changes in its financial position for the years then ended in accordance with the basis of accounting described in note 1(a) applied on a consistent basis.

Arthur Andersen & Co.
Chartered Accountants

Winnipeg, Canada
June 19, 1987

THE MANITOBA TELEPHONE SYSTEM

BALANCE SHEETS MARCH 31, 1987 AND 1986

ASSETS

	1987	1986
	(in thousands of dollars)	
		(Note 13)
TELECOMMUNICATIONS PROPERTY		
Buildings, plant and equipment	$1,319,590	$1,188,459
Less accumulated depreciation	642,123	571,517
	677,467	616,942
Land	6,018	5,870
Materials and supplies, at cost	17,462	15,456
Plant under construction	36,756	48,149
	737,703	686,417
INVESTMENTS (Note 2)	999	999
PENSION RESERVE (Notes 8 and 11)	52,251	70,250
CURRENT ASSETS		
Temporary cash investments	48,172	7,482
Accounts receivable	45,350	44,261
Prepayments	5,035	4,654
	98,557	56,397
DEFERRED CHARGES		
Unrealized foreign currency losses, net of amortization	20,466	30,230
Unamortized long-term debt expenses	4,789	4,202
Preliminary engineering and miscellaneous	3,241	3,186
Deferred employee benefit costs, net of amortization	2,078	2,493
	30,574	40,111
	$ 920,084	$ 854,174

Approved on behalf of the Board

Donald A. Scott

Vice-Chairperson

JoAnne Swayze

Commissioner

The accompanying notes are an integral part of these balance sheets.

THE MANITOBA TELEPHONE SYSTEM

BALANCE SHEETS MARCH 31, 1987 AND 1986

LIABILITIES AND REINVESTED EARNINGS

	1987	1986
	(in thousands of dollars)	
		(Note 13)
DEBT		
Long-term debt (Note 9)	$ 753,325	$ 690,151
Less sinking fund investments, at cost	51,013	52,488
	702,312	637,663
Notes payable	5,000	5,000
	707,312	642,663
REINVESTED EARNINGS	67,563	87,554
DEFERRED EMPLOYEE BENEFITS (Note 11)	66,967	46,191
CURRENT LIABILITIES		
Outstanding cheques less cash in bank	817	1,505
Accounts payable and accrued liabilities	51,068	43,078
Advance billings and payments	4,137	3,791
Accrued interest	20,980	18,827
Provision for loss on wind down of subsidiary (Note 3)	1,240	10,565
	78,242	77,766
COMMITMENTS (Note 10)		
CONTINGENCIES (Note 3)		
	$ 920,084	$ 854,174

THE MANITOBA TELEPHONE SYSTEM

STATEMENTS OF OPERATIONS AND REINVESTED EARNINGS FOR THE YEARS ENDED MARCH 31, 1987 AND 1986

	1987	1986
	(in thousands of dollars)	
		(Note 13)
OPERATING REVENUES:		
Long distance service	**$211,717**	$197,616
Local service	**138,508**	127,214
Miscellaneous (Note 4)	**29,094**	26,443
Less uncollectible operating revenues	**(2,446)**	(1,891)
	376,873	349,382
OPERATING EXPENSES:		
Operations and administration	**160,789**	146,297
General	**39,489**	30,102
Depreciation	**113,574**	98,517
Operating taxes	**8,636**	8,000
	322,488	282,916
NET OPERATING REVENUES	**54,385**	66,466
OTHER REVENUES (Note 6)	**16,751**	17,231
NET REVENUES BEFORE DEBT CHARGES	**71,136**	83,697
DEBT CHARGES (Note 7)	**91,127**	84,735
NET LOSS BEFORE EXTRAORDINARY ITEM	**(19,991)**	(1,038)
EXTRAORDINARY ITEM (Note 3)	—	(27,110)
NET LOSS FOR THE YEAR	**(19,991)**	(28,148)
REINVESTED EARNINGS, beginning of year	**87,554**	115,702
REINVESTED EARNINGS, end of year	**$ 67,563**	$ 87,554

The accompanying notes are an integral part of these statements.

THE MANITOBA TELEPHONE SYSTEM

STATEMENTS OF CHANGES IN FINANCIAL POSITION FOR THE YEARS ENDED MARCH 31, 1987 AND 1986

	1987	1986
	(in thousands of dollars)	
		(Note 13)
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Net loss for the year	$(19,991)	$ (28,148)
Cash provided (used) by changes in working capital (Note 12)	(306)	1,405
Add: Depreciation and other items not requiring cash, net	118,098	138,890
Payment toward deferred employee benefits	(1,019)	(645)
Total cash provided by operating activities	96,782	111,502
CASH PROVIDED BY (USED FOR) FINANCIAL ACTIVITIES:		
Long-term debt	217,192	160,655
Notes payable	5,000	5,000
Repayment of bonds and advances	(131,329)	(62,167)
Repayment of notes payable	(5,000)	(31,225)
Total cash provided by financial activities	85,863	72,263
CASH PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES:		
Withdrawals from pension reserve	38,235	4,185
Sinking fund withdrawals	10,058	4,286
Contribution to pension reserve	(20,236)	(29,005)
Contribution to sinking fund	(8,584)	(7,441)
Construction program expenditures, net	(160,740)	(151,074)
Increase in investments	—	(8,777)
Total cash used for investment activities	(141,267)	(187,826)
INCREASE (DECREASE) IN CASH AND TEMPORARY CASH INVESTMENTS	41,378	(4,061)
BALANCE, beginning of year	5,977	10,038
BALANCE, end of year	$ 47,355	$ 5,977

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 1987 AND 1986

1. SIGNIFICANT ACCOUNTING POLICIES

(a) General

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles, except for the accounting for pension costs as set out in Note 11. The system of accounts and practices are similar to those used by other Telecom Canada members.

(b) Telecommunications Property

Telecommunications property is recorded at original cost including materials, direct labour and overhead costs which vary with the level of construction. In addition, the System includes the cost of funds used to finance the construction, based on the duration of the projects.

(c) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of telecommunications property by applying rates which are based on a continuing program of engineering studies.

When depreciable telephone property is retired, the original cost of such property, adjusted by any disposal proceeds and costs of removal, is charged to accumulated depreciation.

(d) Translation of Foreign Currencies

Foreign currencies have been translated into Canadian funds at rates of exchange on the following basis:

i) long-term debt at rates prevailing at year end;
ii) accrued interest at rates prevailing at year end;
iii) debt charges at rates prevailing at the date of each transaction.

The unrealized loss resulting from the policy of using rates prevailing at March 31 is being amortized over the remaining term of the debt.

(e) Deferred Employee Benefits

The deferred employee benefit liability represents a sick leave vesting (SLV) plan and pension provisions as outlined in Note 11. The initial cost of the SLV plan, which became effective June 1, 1977, is being amortized on a straight-line basis over fifteen years. The annual sick leave entitlements subsequent to June 1, 1977 are being accrued and charged to expense in the year to which they relate. Payments to employees on termination are being charged to the deferred liability.

2. INVESTMENTS

	1987	1986
	(in thousands of dollars)	
Telesat Canada 99,900 common shares, at cost	$ 999	$ 999

3. PROVISION FOR LOSS ON WIND DOWN OF SUBSIDIARY

As at March 31, 1986 the investment in MTX Telecom Services Inc. (MTX), a wholly-owned subsidiary of the System, was written off in the amount of $27,110,000, and a provision for loss in the amount of $10,565,000 was established. In 1987, $9,325,000 was charged against this provision.

Other contingencies or claims may arise as MTX continues with the wind down of its operations. The nature and magnitude of such contingencies, if any, is not determinable at this time.

4. MISCELLANEOUS OPERATING REVENUE

	1987	1986
	(in thousands of dollars)	
Miscellaneous operating revenue includes:		
Directory advertising	$20,829	$18,588
Rentals and attachments	6,091	5,964
Other	2,174	1,891
	$29,094	$26,443

5. OPERATING TAXES

This category represents grants to municipalities in lieu of property taxes, the System's portion of Canada Pension Plan and Unemployment Insurance, the Health and Education Levy and general levies.

6. OTHER REVENUE

	1987	1986
	(in thousands of dollars)	
This group of revenue includes:		
Interest earned on investments	$12,091	$12,917
Surcharge on overdue accounts	1,983	1,675
Interest charged to construction	834	1,539
Net recoveries from foreign contracts	31	102
Miscellaneous, net	1,812	998
	$16,751	$17,231

7. DEBT CHARGES

	1987	1986
	(in thousands of dollars)	
Debt charges include:		
Interest on long-term debt	$71,979	$65,485
Amortization of unrealized foreign currency losses	2,902	10,960
Realized loss on foreign currency	14,350	6,263
Amortization of long-term debt expenses	970	815
Other interest expense and debt charges	926	1,212
	$91,127	$84,735

8. PENSION RESERVE

During the year, the Board of Commissioners approved contributions to the Reserve of $20,236,000 and withdrawals from the Reserve of $38,235,000. The Reserve is comprised of short-term investments held in trust by the Minister of Finance of the Province of Manitoba. Interest on the Reserve is recorded as income in the period it is earned.

The withdrawal of $38,235,000 was used in the retirement of Series 10J in the amount of $31,062,574 and to unfund the remaining foreign currency amortization of $7,172,426.

The Fund was renamed the Pension Reserve, following the removal of foreign currency amortization funds. The Pension Reserve was increased from $32,015,000 in 1986 to $52,251,000 in 1987.

9. LONG-TERM DEBT

	1987			1986
	Outstanding at rates prevailing March 31, 1987	Foreign exchange adjustment Note 1(d)	Outstanding at rates prevailing when debt incurred	Outstanding at rates prevailing when debt incurred
Province of Manitoba Advances		(in thousands of dollars)		
Series 10J, 8$\frac{3}{5}$%, due February 28, 1987 (6.3 billion Japanese Yen)	$ —	$ —	$ —	$ 23,213
Series 11M, 13$\frac{1}{4}$%, due October 13, 1987	65,000	—	65,000	65,000
Series 10V, 9$\frac{3}{4}$%, due December 1, 1988	25,000	—	25,000	25,000
Series 11E, 14$\frac{3}{4}$%, due July 1, 1991 (40.0 million U.S. Dollars)	52,204	4,242	47,962	47,962
Series 11J, 15$\frac{1}{4}$%, due March 31, 1992	40,000	—	40,000	40,000
Series 10T, 9$\frac{3}{4}$%, due May 15, 1998	12,090	—	12,090	12,090
Series 11A, 10$\frac{1}{4}$%, due August 1, 1999	5,000	—	5,000	5,000
Series 9X, 10%, due December 5, 1999	10,000	—	10,000	10,000
Series AD, 10$\frac{2}{5}$%, due May 15, 1986	—	—	—	65,000
Series AN, 11$\frac{1}{2}$%, due May 15, 1995	50,000	—	50,000	50,000
Series AX, 7$\frac{1}{2}$%, due May 20, 1996 (46,372,650 U.S. Dollars)	60,521	(3,571)	64,092	—
Series BC, 8$\frac{1}{2}$%, due February 5, 1997	87,500	—	87,500	—
Series UFA1, 11%, due November 5, 1995	55,000	—	55,000	55,000
Series UFA2, 9$\frac{13}{25}$%, due September 26, 1996	65,600	—	65,600	—
Interim Advance, 10%, due June 25, 1986	—	—	—	6,815
Interim Advance, 10%, due September 29, 1986	—	—	—	23,800
	$527,915	$ 671	$527,244	$428,880
Bonds Payable				
Debentures issued by the System fully guaranteed by the Province				
Series 1C, 5$\frac{1}{2}$%, due December 2, 1986	$ —	$ —	$ —	$ 12,500
Series 1J, 7$\frac{3}{4}$%, due February 15, 1989	10	—	10	10
Series 1M, 8%, due September 15, 1989	108	—	108	108
Series 1E, 5%, due January 15, 1991 (14.5 million U.S. Dollars)	18,924	3,344	15,580	15,580
Series 1N, 7$\frac{7}{8}$%, due November 15, 1991	20,000	—	20,000	20,000
Series 1F, 6$\frac{1}{4}$%, due December 1, 1991	20,000	—	20,000	20,000
Series 1G, 7%, due February 15, 1993	20,000	—	20,000	20,000
Series 1P, 7$\frac{7}{8}$%, due March 15, 1993	10,000	—	10,000	10,000
Series 1T, 10%, due July 2, 1995	10,000	—	10,000	10,000
Series 1U, 10$\frac{1}{2}$%, due May 1, 1996	20,000	—	20,000	20,000
Series 1S, 8$\frac{3}{4}$%, due March 1, 1999	37,000	—	37,000	37,000
Series 1V, 5%, due January 3, 1992 (80.0 million Swiss Francs)	69,368	15,088	54,280	54,280
	$225,410	$ 18,432	$206,978	$219,478
	$753,325	$ 19,103	$734,222	$648,358
Foreign Exchange Adjustment				$ 41,793
Outstanding at Rates Prevailing March 31, 1986				$690,151

Under the requirements of The Manitoba Telephone Act, the System is required to pay to the Minister of Finance of the Province of Manitoba, as trustee for the sinking fund, an amount which is not less than 1% of the long-term debt outstanding at the end of the preceding fiscal year and 4% of the sinking fund balance at the end of the preceding fiscal year. The market value of the investments held in the fund at March 31, 1987 is $56,343,125 (1986 - $56,517,557).

If the System incurs no new long-term debt and assuming exchange rates at March 31, 1987 remain unchanged, the following payments will be required to meet sinking fund conditions and debt retirements:

Year ending March 31	Sinking fund payments	Debt retirement
	(in thousands of dollars)	
1988	$9,383	$ 65,000
1989	8,967	25,010
1990	8,956	108
1991	9,312	18,924
1992	9,236	201,572

10. COMMITMENTS

The Manitoba Telephone System rents buildings and construction and other equipment under operating leases. The aggregate annual rental of the commitments under the leases, which expire at varying dates to March 31, 1992, are:

1988	$2,404,786
1989	1,147,424
1990	502,916
1991	319,585
1992	166,818

11. PENSION

Employees of the System are pensionable under the Civil Service Superannuation Fund and make contributions at prescribed rates. The System is required to pay 50% of the Fund's pension disbursements made to retired employees. The payments are charged to general, operations and administration expenses as incurred.

An actuarial evaluation of the Fund was conducted as at December 31, 1983. The results of the evaluation indicate that at the date of review the Fund was in a sound financial position.

According to the formula contained in the report issued after the evaluation, the liability which the System had at December 31, 1986 was:

(a) if no allowance is made for future increases in pension due to increases in the cost of living, $137,239,000.

(b) if allowance is made for future increases in pension due to increases in the cost of living, $213,210,700.

During the fiscal year ended March 31, 1984, a $5,000,000 provision was made to recognize the System's liability as a result of implementing an early retirement program and from legislated changes to the Pension Benefits Act. This provision has been augmented by $47,251,000 for the years ended March 31, 1985 to March 31, 1987. The increase, included in general expense, represents additional provision for legislative changes to the Pension Benefits Act and a partial recording of the increased liability accrued during the year.

A cumulative amount of $52,251,000 has been included in contributions made to the Pension Reserve on account of pension liabilities.

12. STATEMENTS OF CHANGES IN WORKING CAPITAL

Cash was provided (used) by changes in working capital as follows:

	1987	1986
	(in thousands of dollars)	
Increase in Current Assets:		
Accounts receivable	**$(1,089)**	$(5,958)
Prepayments	**(381)**	(300)
Increase (Decrease) in Current Liabilities:		
Accounts payable and accrued liabilities	**7,990**	(3,951)
Advance billings and payments	**346**	482
Accrued interest	**2,153**	567
Provision for loss on wind down of subsidiary	**(9,325)**	10,565
	$ (306)	$ 1,405

13. RECLASSIFICATIONS

The 1986 figures have been reclassified where necessary to conform to the 1987 presentation.

THE MANITOBA TRADING CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Trading Corporation for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

J. W. Singleton, CA,
Assistant Provincial Auditor.

July 13, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA TRADING CORPORATION

BALANCE SHEET
AS AT MARCH 31, 1987
(with 1986 figures for comparison)

	1987	1986
ASSETS		
Cash on deposit with Minister of Finance	$ 505,365	$ 505,365
LIABILITIES		
Advances from the Government of the Province of Manitoba for working capital	$ 500,000	$ 500,000
Funds available for future operations:		
Balance at beginning of year	5,365	3,912
Revenue over expenditure, Exhibit B	-	1,453
Balance at end of year	5,365	5,365
	$ 505,365	$ 505,365

Exhibit B

THE MANITOBA TRADING CORPORATION

STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1987
(with 1986 figures for comparison)

	1987	1986
REVENUE:		
Interest on overdue accounts receivable	$ -	$ 217
Recovery of expenditures relating to small shipments seminar	-	580
Gain on collection of account receivable	-	1,201
	-	1,998
EXPENDITURE:		
Food and beverage service - Small shipments seminar	-	545
Revenue over expenditure, Exhibit A	$ -	$ 1,453

THE MANITOBA TRADING CORPORATION

Notes to Financial Statements
as at March 31, 1987

1. Administrative expenditures are funded from an appropriation of the Department of Industry, Trade and Technology.

2. The accrual basis of accounting is used in the preparation of these financial statements, except for interest on accounts receivable which is recorded on a cash basis.

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to F, of The Manitoba Vegetable Producers' Marketing Board for the fiscal year ended June 30, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at June 30, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson
F. H. Jackson, C.A.,
Provincial Auditor.

November 18, 1986,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Balance Sheet
as at June 30, 1986
(with 1985 figures for comparison)

	1986	1985
ASSETS		
Current assets:		
Cash on hand and in bank	$ 1,920	$ 8,110
Bank deposit receipts	-	200,000
Accounts receivable - trade	239,357	192,718
- Peak of the Market Sales Ltd.	163,955	58,137
- producers	46,787	58,893
- storage crop advance	464,975	284,598
- other	4,293	13,367
Inventories of vegetables, net realizable value	35,590	9,174
Deposit re purchase of equipment	10,571	-
Prepaid expenses	191,328	185,239
Total current assets	1,158,776	1,010,236
Investment in Peak of the Market Sales Ltd.	30	30
Fixed assets:		
Land and building, as valued by the Board	681,868	681,868
Equipment and automobiles, at cost	960,303	639,485
	1,642,171	1,321,353
Less: assistance grants	26,487	26,487
	1,615,684	1,294,866
Less: accumulated depreciation	863,495	807,264
	752,189	487,602
	$ 1,910,995	$ 1,497,868
LIABILITIES AND CAPITAL SURPLUS		
Current liabilities:		
Outstanding cheques	$ 126,174	$ 259,401
Bank loans (Note 2)	599,033	330,295
Accounts payable - producers	264,139	156,744
- other	285,286	68,790
Funds held for promotion and research, Exhibit D	33,344	29,492
Funds held for freight equalization, Exhibit D	355	-
Other trust account (Note 3)	21,228	19,761
Total current liabilities	1,329,559	864,483
Other liabilities:		
Operations account, Exhibit B	296,250	348,199
	1,625,809	1,212,682
Capital surplus arising from:		
Financial assistance provided by the Governments of Canada and Manitoba, not repayable	206,438	206,438
Valuation of land and building	78,748	78,748
	285,186	285,186
	$ 1,910,995	$ 1,497,868

Exhibit B

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Operations
for the year ended June 30, 1986
(with 1985 figures for comparison)

	1986	1985
Revenues:		
Board's assessments against pools, Exhibit C	$ 526,109	$ 508,112
Prepack operation:		
Sales	4,519,221	5,830,341
Less: cost of sales	3,921,499	5,127,510
Gross margin	597,722	702,831
Processing fees:		
Cartage and storage	1,072	4,388
Custom work	23,376	30,894
Washing and grading	208,684	148,599
	233,132	183,881
Sundry:		
Rental revenue	68,379	67,100
Commissions on consignment sales and other revenue	65,062	90,418
	133,441	157,518
Total revenues	1,490,404	1,552,342
Operating expenditures, Exhibit E	1,542,353	1,447,637
Increase (decrease) in operations account	(51,949)	104,705
Operations account, beginning of year	348,199	243,494
Operations account, end of year, Exhibit A	$ 296,250	$ 348,199

Exhibit C

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Pool Transactions
for the year ended June 30, 1986
(with 1985 figures for comparison)

	1986	1985
Revenue from vegetables sold through pools	$ 8,361,094	$ 10,618,965
Deduct pool charges:		
Direct charges:		
Brokerage	53,752	85,150
Claims	123	-
Containers	15,524	9,524
Freight equalization	37,170	54,801
Inspection	2,737	2,630
Prepack subsidy	28,294	31,954
Seed delivery	5,868	4,237
Selling and promotion allowances	28,499	47,783
	171,967	236,079
Funds allocated for:		
Promotion and research	43,566	43,831
Freight equalization	76,991	73,544
	120,557	117,375
Board's assessments:		
Handling charges	452,156	451,622
Processing fees	4,050	1,216
Waxing	68,246	53,370
Fractional differences	1,657	1,904
	526,109	508,112
Total pool charges	818,633	861,566
Distributed to producers	$ 7,542,461	$ 9,757,399

Exhibit D

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Pool Funds Held
for the year ended June 30, 1986
(with 1985 figures for comparison)

	1986	1985
Promotion and research:		
Balance, beginning of year	$ 29,492	$ 22,403
Add: funds allocated from pools, Exhibit C	43,566	43,831
amount provided from direct priced sales	2,459	710
grants and commissions	10,645	15,674
	86,162	82,618
Deduct: promotional charges	52,818	53,126
Balance, end of year, Exhibit A	$ 33,344	$ 29,492
Freight equalization:		
Balance, beginning of year	$ -	$ -
Add: funds allocated from pools, Exhibit C	76,991	73,544
overquota service charges	13,902	15,627
	90,893	89,171
Deduct: freight allowances to wholesalers	90,538	71,115
amount credited to producers	-	18,056
	90,538	89,171
Balance, end of year, Exhibit A	$ 355	$ -

Exhibit E

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Operating Expenditures
for the year ended June 30, 1986
(with 1985 figures for comparison)

	1986	1985
Audit	$ 16,189	$ 13,712
Bad debts	799	2,711
Board members' fees	12,015	10,725
Board members' expenses	6,490	6,025
Bank service charge	3,005	3,012
Cafeteria operations, net	5,283	4,117
Claims and allowances	3,868	2,595
Containers and packaging supplies	141,081	126,954
Depreciation	56,231	57,564
Equipment rental	3,386	7,609
Fuel, water, light and power	72,630	71,092
Health and post secondary education tax levy	11,954	11,495
Insurance	16,619	12,921
Legal	(397)	302
Maintenance and repairs	80,351	65,791
Manager's expenses	1,113	2,289
Miscellaneous	37,350	42,264
Office supplies and postage	17,206	19,085
Pension and employee insurance	93,746	80,714
Property and business taxes	70,971	70,205
Public relations, promotion and travel	47,083	43,848
Salaries and wages	803,211	753,796
Telephone and telex	22,468	21,653
Truck and auto	19,701	17,158
Total, Exhibit B	$ 1,542,353	$ 1,447,637

Exhibit F

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Changes in Financial Position
for the year ended June 30, 1986
(with 1985 figures for comparison)

	1986	1985
Source of funds:		
Operations:		
Net increase (decrease) in operations account for the year	$ (51,949)	$ 104,705
Items not involving funds:		
Depreciation	56,231	57,564
Gain on disposal of fixed assets	-	(12,283)
Funds provided from operations	4,282	149,986
Proceeds from Government of Canada - Regional Economic Expansion grant	-	2,715
Proceeds from disposal of fixed assets	-	25,300
	4,282	178,001
Use of funds:		
Purchase of fixed assets	320,818	84,609
Reduction to repayable financial assistance provided by the Governments of Canada and Manitoba	-	7,710
	320,818	92,319
Increase (decrease) in working capital for the year	(316,536)	85,682
Working capital, beginning of year	145,753	60,071
Working capital (deficiency), end of year	$ (170,783)	$ 145,753
Represented by:		
Current assets	$ 1,158,776	$ 1,010,236
Current liabilities	1,329,559	864,483
	$ (170,783)	$ 145,753

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Notes to Financial Statements
June 30, 1986

1. Significant accounting policies

a) Investment in Peak of the Market Sales Ltd.

The Board reflects its investment in Peak of the Market Sales Ltd., a wholly owned subsidiary, at cost. The subsidiary operates on a breakeven basis and acquires all of its products from the Board at regular Board prices, for resale at the same prices and all operating costs are absorbed by the Board. Total sales to the subsidiary (1986 - $2,615,208; 1985 - $ 3,225,612) have not been segregated in these financial statements. The amount reflected as accounts receivable from Peak of the Market Sales Ltd. represents the amount due to the subsidiary from its customers as at the year-end date.

b) Land and building

Land and building have been recorded at a book value transferred from the preceding entity, which includes an incremental valuation adjustment of $78,748, with a subsequent disposal of part of the land recorded on a pro rata basis. Depreciation on the building is calculated on a straight-line basis, using an estimated service life of 40 years.

c) Equipment and automobiles

Equipment and automobiles are depreciated on a straight-line basis with an estimated useful life of 10 years for equipment and 5 years for automobiles.

d) Operations account

The Board operates on a break-even basis, recovering its estimated costs by assessing handling charges against the pools handled on behalf of the participating producers. The prepack operation and other processing services are offered in order to enhance the overall pooling process. The mark-up applied to the prepack operation and rates charged for other processing services are also based on the estimated costs of providing the related services. Any variance between the estimated costs recovered from the aforementioned sources and actual costs of Board operations is accumulated in the Operations Account. The balance of this account represents funds held for producers which have not been allocated and are used for working capital purposes.

2. Bank loans

The amount shown for bank loans is comprised of the following:

	1986	1985
Operating loan, interest at prime, secured by a general assignment of accounts receivable	$ 110,000	$ 45,000
Crop storage loans, interest payable by and outstanding balance guaranteed by the Government of Canada	489,033	285,295
	$ 599,033	$ 330,295

3. Other trust account

The transactions pertaining to the other trust account is as follows:

	Cultivar Research Project
Balance, June 30, 1985	$ 19,761
Contributions from participants	27,075
Interest received	646
	47,482
Disbursements	26,254
Balance, June 30, 1986	$ 21,228

4. Pension Plan

On October 28, 1985, the Board approved the conversion of the fully vested defined benefits pension plan to a money purchase plan effective January 1, 1985. The actuarial surplus of $142,478 as at January 1, 1985 has been allocated by the Board as follows:

a) an amount of $48,311 allocated to certain members adversely affected by the change in the plan, and

b) the balance, after allowance for expenses, is allocated to each member, on the basis that each member's contributions as at December 31, 1984, bears to all the total accumulated contributions of all contributing members at December 31, 1984.

Final approval for the new plan was received from the Manitoba Pension Commission in January 1986.

Prior to January 1, 1985 the Board contributed the amount necessary to fully fund the benefits provided under the old plan. Effective January 1, 1985 in accordance with the terms of the new plan, the Board matches the contribution of each member.

The Board arranged for the Great-West Life Assurance Company to manage the pension fund investments, and for Reed Stenhouse Associates Limited to administer the plan.

5. Commitments

At June 30, 1986 the Board has a commitment relating to the acquisition of prepack equipment amounting to $31,781. A deposit of $10,571 was made in June 1986. The balance of $21,210 was paid after delivery of the equipment.

In addition, the Board has a commitment relating to the development of a "Grower System" custom software package amounting to $29,420.

Manitoba

THE MANITOBA WATER SERVICES BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C, D and E, and Schedules 1 to 3, of The Manitoba Water Services Board for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Water Services Board as at March 31, 1987 and the results of its operations and the changes in its cash position for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

J. W. Singleton, CA,
Assistant Provincial Auditor.

September 29, 1987,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA WATER SERVICES BOARD

Balance Sheet
as at March 31, 1987

ASSETS

	1987	1986
Current assets:		
Cash on deposit with the Minister of Finance (Note 1(a))	$ 1,069,817	$ 616,411
Accounts receivable	2,373,637	2,476,547
Grants receivable from the Government of the Province of Manitoba - subsidization of construction costs	134,791	144,443
Accrued interest	636,315	685,370
Prepaid expenses	37,562	36,461
	4,252,122	3,959,232
Debentures receivable from municipalities, Schedule 1 (Note 3)	13,801,914	14,786,631
Construction in progress recoverable from municipalities and the Government of the Province of Manitoba (Note 2)	1,196,564	2,140,026
Fixed assets: (Notes 1(e) and 4)		
Works, at cost		
Land and easements	102,744	80,977
Buildings and equipment	6,599,696	5,579,767
	6,702,440	5,660,744
Less accumulated depreciation	3,913,913	3,780,368
	2,788,527	1,880,376
Accumulated excess of operating expenditures over revenues, recoverable, Exhibit C, (Notes 1(b) and 5)	1,260,237	1,903,581
Amortized interest recoverable	4,783	29,722
	$ 23,304,147	$ 24,699,568

Exhibit A

LIABILITIES

	1987	1986
Current liabilities:		
Accounts payable and accrued charges	$ 1,111,548	$ 914,656
Capital debt, Schedule 2: (Note 3)		
Advances from the Government of the Province of Manitoba	17,394,246	16,697,331
Debentures - Canada Mortgage and Housing Corporation	2,391,729	2,516,931
Bonds	3,023,000	5,977,000
	22,808,975	25,191,262
Less sinking fund: (Note 1 (f))		
Cash on deposit with the Minister of Finance	687,515	1,272,986
Investments, at cost, Schedule 3	28,861	204,177
	716,376	1,477,163
	22,092,599	23,714,099
Interest adjustment fund account Exhibit D, (Notes 1(c) and 7)	100,000	70,813
	$ 23,304,147	$ 24,699,568

Exhibit B

THE MANITOBA WATER SERVICES BOARD

Statement of Operating Revenues and Expenditures for the year ended March 31, 1987

	1987	1986
Revenues:		
Sale of water	$ 2,603,550	$ 2,383,510
Interest:		
Municipalities	1,727,955	2,074,816
Sinking funds and funds on deposit (Note 1(f))	82,256	155,997
Grant from the Government of the Province of Manitoba - subsidization of water rates (Note 5)	207,204	385,805
	4,620,965	5,000,128
Expenditures:		
Interest:		
Advances	2,001,902	2,154,787
Bonds and debentures	462,203	633,718
Audit and other fees	13,306	10,054
Chemicals	450,738	381,589
Depreciation	133,545	137,504
Salaries and benefits	657,723	663,013
Heat, telephone, light and power	285,734	267,341
Repairs and maintenance	193,170	122,913
Water purchased for resale	218,615	194,846
	4,416,936	4,565,765
Interest applied to construction	(468,502)	(277,980)
Interest applied to interest adjustment fund account, Exhibit D	29,187	(70,773)
	3,977,621	4,217,012
Excess of operating revenues over expenditures, Exhibit C	$ 643,344	$ 783,116

Exhibit C

THE MANITOBA WATER SERVICES BOARD

Statement of Accumulated Excess of Operating Expenditures over Revenues, Recoverable (Notes 1(b) and 5)

for the year ended March 31, 1987

	1987	1986
Balance, beginning of year	$ 1,903,581	$ 2,670,900
Add: Refund of excess revenues over operating expenditures	-	15,797
Deduct: Excess of operating revenues over expenditures, Exhibit B	643,344	783,116
Balance, end of year, Exhibit A	$ 1,260,237	$ 1,903,581

Exhibit D

THE MANITOBA WATER SERVICES BOARD

Statement of Interest Adjustment Fund Account (Notes 1(c) and 7)
for the year ended March 31, 1987

	1987	1986
Balance, beginning of year	$ 70,813	$ 141,586
Interest applied - Statement of Operating Revenues and Expenditures, Exhibit B	29,187	(70,773)
Balance, end of year, Exhibit A	$ 100,000	$ 70,813

Exhibit E

THE MANITOBA WATER SERVICES BOARD

Statement of Changes in Cash Position
for the year ended March 31, 1987

	1987	1986
Cash provided by (used for):		
Operating activities:		
Excess of operating revenues over expenditures, Exhibit B	$ 643,344	$ 783,116
Items not involving cash:		
Depreciation	133,545	137,504
Amortization of sinking fund bond discount - net	24,939	66,515
	801,828	987,135
Net change in non-cash working capital balances	357,408	(1,779,449)
	1,159,236	(792,314)
Financing activities:		
Construction of facilities for municipalities	(9,677,377)	(9,813,107)
The Government of the Province of Manitoba:		
Grants - subsidization of construction costs	4,868,782	4,444,364
Advances - net	696,915	(960,225)
Municipalities:		
Debenture principal repayments	984,717	3,141,539
Construction expenditure recoveries	5,753,745	4,545,162
The Government of Canada:		
Canada Pension Plan bond repayment	(2,954,000)	-
Construction expenditure refunds	(1,688)	(9,375)
Canada Mortgage and Housing Corporation:		
Debenture principal repayments	(125,202)	(114,213)
Applied to interest adjustment fund account	29,187	(70,773)
Refund of excess revenues over operating expenditures	-	(15,797)
Sinking fund payments - net	760,787	(114,284)
	335,866	1,033,291
Investment activities:		
Fixed asset additions	(1,041,696)	-
Increase in cash	453,406	240,977
Cash, beginning of year	616,411	375,434
Cash, end of year, Exhibit A	$ 1,069,817	$ 616,411

Cash is represented by cash on deposit with the Minister of Finance.

THE MANITOBA WATER SERVICES BOARD

Schedule of Debentures Receivable from Municipalities
as at March 31, 1987

Municipality	Number of Debentures	Term	Interest Rates %	Balance
Village of Arborg	4	October 31, 1987-1998	9.25-11.25	$ 139,705
Village of Benito	1	October 31, 1987-1998	9.8	9,188
Village of Binscarth	1	October 31, 1987-1998	11.25	31,680
Village of Binscarth	1	December 31, 1987-2004	12.75	4,290
Rural Municipality of Birtle	2	October 31, 1987-2000	11.25-13.75	140,214
Town of Birtle	2	December 31, 1987-2003	12.625-13.125	242,864
Town of Carman	3	October 31, 1987-1999	9.0-11.25	187,845
Rural Municipality of Cartier	1	October 31, 1987-1995	10.95	108,325
Village of Cartwright	1	December 31, 1987-2004	12.75	20,835
Rural Municipality of Coldwell	2	October 31, 1987-1996	9.8-10.95	115,752
Local Government District of Consol	1	October 31, 1987-1996	9.8	48,098
Town of Dauphin	2	October 31, 1987-1996	9.8-10.95	374,103
Town of Deloraine	2	October 31, 1987-1999	9.8-11.25	22,002
Rural Municipality of De Salaberry	2	December 31, 1987-2004	12.625-12.75	84,582
Rural Municipality of East St. Paul	3	October 31, 1987-1997	9.0-10.95	126,976
Town of Emerson	2	October 31, 1987-1998	9.8-11.25	30,586
Village of Erickson	1	October 31, 1987-1994	9.25	4,892
Rural Municipality of Eriksdale	1	October 31, 1987-1996	9.8	6,014
Village of Ethelbert	1	October 31, 1987-1989	11.25	4,405
City of Flin Flon	5	December 31, 1987-2004	12.625-12.75	1,602,210
Village of Gilbert Plains	2	October 31, 1987-1995	9.25-10.95	79,481
Village of Glenboro	1	December 31, 1987-2002	13.125	98,046
Town of Grandview	4	October 31, 1987-1998	9.0-11.25	86,623
Town of Grandview	1	December 31, 1987-2002	13.125	57,503
Village of Gretna	3	October 31, 1987-1995	9.8-11.25	19,411
Rural Municipality of Grey	1	October 31, 1987-1999	11.25	80,409
Rural Municipality of Hanover	7	October 31, 1987-1999	9.0-11.25	347,856
Rural Municipality of Hanover	2	December 31, 1987-2004	12.75	165,956
Town of Hartney	1	December 31, 1987-1988	6.645	36,841
Town of Killarney	1	December 31, 1987-2004	12.75	31,856
Village of Lac du Bonnet	1	October 31, 1987-1997	9.50	227,315
Rural Municipality of Lorne	4	October 31, 1987-2000	9.8-13.75	285,644
Rural Municipality of Macdonald	4	October 31, 1987-1999	9.0-11.25	83,578
Village of Manitou	2	October 31, 1987-1998	9.0-11.25	74,813
Village of McCreary	3	October 31, 1987-1998	9.8-11.25	23,831
Town of Minnedosa	3	October 31, 1987-1999	9.8-11.25	30,710
Rural Municipality of Miniota	1	October 31, 1987-1996	9.8	11,804
Village of Minitonas	1	October 31, 1987-1999	11.25	80,652
Rural Municipality of Montcalm	1	December 31, 1987-1998	12.625	57,988
Town of Morris	2	October 31, 1987-1998	9.0-9.8	134,539
Town of Morris	2	December 31, 1987-2004	12.75-13.125	99,491
Local Government District of Mountain	2	October 31, 1987-1997	9.0-9.8	111,524
Town of Neepawa	1	October 31, 1987-1998	9.8	17,857
Rural Municipality of North Norfolk	3	October 31, 1987-1996	9.25-10.95	92,184
Village of Notre Dame de Lourdes	3	October 31, 1987-1995	9.25-10.95	51,546
Carried forward	94			$ 5,692,024

THE MANITOBA WATER SERVICES BOARD

Schedule of Debentures Receivable from Municipalities
as at March 31, 1987

Municipality	Number of Debentures	Term	Interest Rates %	Balance
Brought forward	94			$ 5,692,024
Rural Municipality of Ochre River	2	December 31, 1987-2002	12.625-13.125	28,234
Rural Municipality of Pembina	1	October 31, 1987-1989	11.25	4,632
Rural Municipality of Pipestone	2	October 31, 1987-2000	11.25-13.75	43,376
Village of Plum Coulee	3	October 31, 1987-1999	9.0-11.25	236,066
City of Portage la Prairie	6	October 31, 1987-2000	9.0-13.75	1,632,005
City of Portage la Prairie	1	December 31, 1987-2002	13.125	64,677
Rural Municipality of Portage la Prairie	2	October 31, 1987-1995	9.25-10.95	85,489
Town of Rapid City	1	October 31, 1987-1998	9.8	11,546
Rural Municipality of Ritchot	6	October 31, 1987-2000	9.8-13.75	107,719
Rural Municipality of Ritchot	2	December 31, 1987-2004	12.625-12.75	128,229
Rural Municipality of Riverside	2	October 31, 1987-2000	11.25-13.75	155,111
Village of Riverton	4	October 31, 1987-1998	9.0-10.95	184,955
Village of Riverton	1	December 31, 1987-2002	13.125	16,963
Town of Roblin	2	October 31, 1987-2000	11.25-13.75	272,192
Village of Rossburn	5	October 31, 1987-2000	9.0-13.75	74,315
Town of Russell	1	December 31, 1987-2004	12.75	345,842
Village of Ste. Anne	2	October 31, 1987-1996	9.8-11.25	54,068
Village of St. Claude	3	October 31, 1987-1998	9.8-10.95	45,262
Village of St. Claude	1	December 31, 1987-1999	12.75	14,873
Village of Ste. Rose du Lac	4	October 31, 1987-1997	9.0-10.95	59,095
Village of Ste. Rose du Lac	1	December 31, 1987-2004	12.75	67,133
Town of Selkirk	6	October 31, 1987-2000	9.0-13.75	1,111,468
Village of Shoal Lake	1	October 31, 1987-2000	13.75	154,163
Rural Municipality of Siglunes	1	December 31, 1987-2001	13.125	6,956
Town of Souris	3	October 31, 1987-1998	9.0-9.8	436,849
Town of Souris	1	December 31, 1987-2000	12.75	15,795
Town of Steinbach	3	October 31, 1987-1997	9.0-10.95	73,707
Town of Stonewall	2	October 31, 1987-2006	9.8-10.95	853,979
Rural Municipality of Strathclair	1	October 31, 1987-1988	9.8	13,277
Rural Municipality of Strathcona	2	October 31, 1987-2000	11.25-13.75	41,223
Local Government District of Stuartburn	3	October 31, 1987-2000	9.8-13.75	152,278
Town of Swan River	3	October 31, 1987-1997	9.0-10.95	464,380
Rural Municipality of Tache	3	October 31, 1987-1998	9.0-10.95	23,975
Village of Teulon	1	October 31, 1987-2006	8.0	337,680
Rural Municipality of Thompson	1	October 31, 1987-1996	9.8	118,141
Village of Treherne	2	October 31, 1987-1996	9.8-11.25	128,124
Town of Virden	3	October 31, 1987-1998	9.8-13.75	326,966
Town of Virden	1	December 31, 1987-1998	13.125	16,523
Community of Wabowden (Note 6)	1	August 1, 1987-1995	9.0	176,540
Village of Waskada	1	October 31, 1987-1988	9.25	573
Willage of Wawanesa	1	October 31, 1987-1999	11.25	2,515
Town of Winkler	1	October 31, 1987-1996	9.8	18,786
Town of Winnipeg Beach	1	October 31, 1987-1999	11.25	4,210
	188			$ 13,801,914

Schedule 2

THE MANITOBA WATER SERVICES BOARD

Schedule of Capital Debt
as at March 31, 1987

	1987	1986
Advances from the Government of the Province of Manitoba:		
10.72% payable annually April 1, 1987-1991	$ 2,075,000	$ -
9% payable annually October 31, 1987-1997	1,498,876	1,577,184
9.8% payable annually October 31, 1987-1998	1,688,082	1,760,846
11.25% payable annually October 31, 1987-1999	1,720,785	1,778,818
9.25% payable annually March 31, 1988-2004	1,101,457	1,207,765
9.8% payable annually October 31, 1987-2006	1,294,070	1,359,884
9.4% payable annually October 31, 1987-2007	38,599	39,192
13.75% payable annually October 31, 1987-2000	2,081,268	2,219,932
13.125% payable annually December 31, 1987-2002	593,241	605,796
12.625% payable annually December 31, 1987-2003	1,199,260	1,222,494
12.75% payable annually December 31, 1987-2004	1,452,364	1,474,176
Other - payable on demand at bank prime	2,651,244	3,451,244
	17,394,246	16,697,331
Canada Mortgage and Housing Corporation Debentures:		
7.875% payable annually August 1, 1987-1994	59,960	65,172
8% payable annually December 1, 1987-1995	46,051	49,437
8% payable annually January 1, 1988-1996	27,801	29,846
8% payable annually January 1, 1988-1996	35,607	38,225
8% payable annually February 1, 1988-1996	37,831	40,613
10% payable annually February 1, 1988-1996	71,872	76,623
10.375% payable annually January 1, 1988-1996	93,450	99,503
10.375% payable annually January 1, 1988-1996	20,604	21,939
10.375% payable annually February 1, 1988-1996	68,534	72,973
10.375% payable annually February 1, 1988-1996	44,939	47,850
10.375% payable annually February 1, 1988-1996	52,513	55,914
10.375% payable annually February 1, 1988-1996	106,864	113,787
10.375% payable annually December 1, 1987-1996	106,605	112,467
10.75% payable annually August 1, 1987-1996	49,583	52,248
10.75% payable annually December 1, 1987-1996	30,034	31,648
10.75% payable annually December 1, 1987-1996	13,702	14,438
8% payable annually April 1, 1988-1997	11,208	11,918
8% payable annually July 1, 1987-1997	653,235	689,210
10% payable annually July 1, 1987-1997	26,016	27,272
10% payable annually July 1, 1987-1997	18,126	19,002
10.375% payable annually April 1, 1987-1997	105,904	111,727
10.375% payable annually April 1, 1987-1997	93,866	99,027
10.75% payable annually July 1, 1987-1997	136,055	142,306
9.625% payable annually February 1, 1988-1998	61,358	64,395
11% payable annually November 1, 1987-2002	420,011	429,391
	2,391,729	2,516,931
Carried forward	$ 19,785,975	$ 19,214,262

THE MANITOBA WATER SERVICES BOARD

Schedule of Capital Debt
as at March 31, 1987

	1987	1986
Brought forward	$ 19,785,975	$ 19,214,262
Bonds:		
Canada Pension Plan Investment Fund, subject to prior redemption, guaranteed as to principal and interest by the Government of the Province of Manitoba:		
5.42% bonds due April 1, 1986	-	2,954,000
7.26% bonds due June 2, 1989	3,023,000	3,023,000
	3,023,000	5,977,000
	$ 22,808,975	$ 25,191,262

Schedule 3

THE MANITOBA WATER SERVICES BOARD

Schedule of Sinking Fund Investments
as at March 31, 1987

	Interest Rate %	Maturity Date	Par Value	Cost
Debentures:				
Manitoba Hydro Electric Board	6.25	February 1, 1989	$ 26,000	$ 20,491
Manitoba Hydro Electric Board	7.0	November 15, 1987	10,000	8,370
			$ 36,000	$ 28,861

THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements
for the year ended March 31, 1987

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The Board's financial statements have been prepared using the accrual basis of accounting except that, in accordance with the procedures followed by the Government of the Province of Manitoba, the Board's disbursement account was held open until April 16, 1987 for the payment of accounts for expenditures incurred during the fiscal year ended March 31, 1987.

(b) Accumulated excess of operating expenditures over revenues, recoverable

The accumulated excess of operating expenditures over revenues, recoverable, shown on the balance sheet pertains to plants operated under the following terms:

(A) Plants owned and operated by the Board with cost recovery over a 35 year life. These plants were constructed prior to 1972 under The Manitoba Water Supply Board Act. The Act was amended in 1972 and became known as The Manitoba Water Services Board Act with no further additions under this program. The amended Act provides for grants for rate stabilization by the Government of the Province of Manitoba.

(B) The plants operated by the Board under agreements with municipalities which were constructed since 1972 under The Manitoba Water Services Board Act.

(C) Plant owned and operated by the Board with cost recovery over a 20 year life. Construction was completed during the year ended March 31, 1987.

All operating deficits of plants operated by the Board are recoverable from the municipalities.

(c) Interest Adjustment Fund Account

The Board maintains a separate fund account balance for interest adjustments.

(d) Administration costs

The costs related to the administration and general operation of the Board, which amounted to $1,754,226 for the year ended March 31, 1987 (1986 - $1,653,820), were paid out of an appropriation of the Department of Agriculture. These expenses are not reflected in the financial statements.

THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements
for the year ended March 31, 1987

5. ACCUMULATED EXCESS OF OPERATING EXPENDITURES OVER REVENUES (continued)

	March 31			
		1987		1986
	No.	Amount	No.	Amount
Plants operated under A - owned and operated by the Board:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	31	$ 1,393,630	33	$ 2,061,020
Plants with an accumulated excess of operating revenues over expenditures	5	(178,131)	4	(94,419)
	36	1,215,499	37	1,966,601
Plants operated under B - operated by the Board for municipalities:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	1	298	3	10,294
Plants with an accumulated excess of operating revenues over expenditures	8	(125,612)	6	(73,314)
	9	(125,314)	9	(63,020)
Plant operated under C - owned and operated by the Board, newly constructed works:				
Plant with an accumulated excess of operating expenditures over revenues, recoverable	1	170,052	-	-
Totals under A, B and C	46	$ 1,260,237	46	$ 1,903,581

THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements
for the year ended March 31, 1987

3. DEBENTURES RECEIVABLE FROM MUNICIPALITIES

The Board obtained capital debt financing at fixed interest rates from the Government of the Province of Manitoba and Canada Mortgage and Housing Corporation. In turn, the Board received cash payments or obtained debentures from municipalities for the municipal share of capitalized costs for plant construction. The debentures were issued to municipalities in amounts and at fixed interest rates sufficient to discharge the municipalities' share of the corresponding capital debt financing.

Effective with the year ended March 31, 1986, the Board received cash in full settlement of capital work undertaken for municipalities.

4. FIXED ASSETS

The following is the summary of the Board's fixed assets:

	1987	1986
Land and easements	$ 102,744	$ 80,977
Buildings	5,006,221	4,267,942
Less accumulated depreciation	2,629,262	2,506,721
	2,376,959	1,761,221
Equipment	1,593,475	1,311,825
Less accumulated depreciation	1,284,651	1,273,647
	308,824	38,178
	$ 2,788,527	$ 1,880,376

5. ACCUMULATED EXCESS OF OPERATING EXPENDITURES OVER REVENUES (Note 1(b))

Concerning plants operated under A only:

The Manitoba Water Services Board Act requires the Board to fix rates for each plant to recover costs pertaining to the services supplied taking into account grants for rate stabilization provided by the Government of the Province of Manitoba to those plants constructed under The Manitoba Water Supply Board Act. The rates set by the Board and approved by the Province are in accordance with tables maintained by the Board which indicate a return of full capital costs and operating deficits based on a 35 year operating life. For the year ended March 31, 1987 rate stabilization grants totalling $207,204 were paid in respect of the operations of 15 of the plants constructed under The Manitoba Water Supply Board Act (1986 - $385,805 respecting 24 plants).

THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements
for the year ended March 31, 1987

(e) Depreciation policy

The Board provides depreciation on a straight-line basis for its fixed assets over an 18 year term for equipment and a 35 year term for buildings under (b)(A) above and a 20 year term for buildings under (b)(C) above.

(f) Sinking fund

The sinking fund is maintained in accordance with the requirements of The Manitoba Water Services Board Act which prescribes that the Board pay a minimum annual instalment to the Minister of Finance of the Government of the Province of Manitoba of not less than 1% of the principal amount of the outstanding capital indebtedness on the preceding March 31, together with 4% of the balance in the sinking fund at that date.

Income earned on sinking fund investments is remitted to the Board and is included with interest revenue for the year.

2. CONSTRUCTION IN PROGRESS RECOVERABLE FROM MUNICIPALITIES AND THE GOVERNMENT OF THE PROVINCE OF MANITOBA

The transactions in this account were as follows:

	March 31 1987	 1986
Balance, beginning of year	$ 2,140,026	$ 1,307,070
Construction during the year, Exhibit E	9,677,377	9,813,107
	11,817,403	11,120,177
Recoveries during the year		
Municipalities		
Cash payments received, Exhibit E	5,753,745	4,545,162
The Government of the Province of Manitoba, Exhibit E		
Grants - subsidization of construction costs	4,868,782	4,444,364
The Government of Canada, Exhibit E		
Construction expenditure refunds	(1,688)	(9,375)
	10,620,839	8,980,151
Balance, end of year, Exhibit A	$ 1,196,564	$ 2,140,026

6. AGREEMENT, COMMUNITY OF WABOWDEN

Because of the legal status of the Community of Wabowden, the Board has entered into an agreement, in lieu of a debenture, with the Minister of the Department of Northern Affairs who is acting on behalf of the Community. The agreement provides for the recovery of the capitalized costs and interest in accordance with a repayment schedule over a twenty year period ending August 1, 1995.

7. INTEREST ADJUSTMENT FUND ACCOUNT

The Board charges interest on advances to construction projects and water treatment plants operated by the Board. The policy is to charge interest at a rate which reflects the cost of borrowing by the Board. The difference between interest charged and the cost of borrowing is accumulated in the Interest Adjustment Fund Account. The Board, from time to time, adjusts interest rates to maintain a reasonable balance in the Interest Adjustment Fund Account.

8. CAPITAL AUTHORITY

The Legislature has authorized the borrowing and expending of monies for municipal sewer and water systems. The unexpended amounts as at March 31, 1987 are as follows:

Legislative Authority	Unexpended balance as at March 31, 1987
The Loan Act 1984	$ 5,600,000
The Loan Act 1985	8,500,000
	$ 14,100,000

9. COMMITMENTS

The Board has signed agreements and offers for the construction of sewer and water systems for municipalities which amount to $13,289,000 as at March 31, 1987 (1986 - $16,455,000). Of this amount, $3,718,000 (1986 - $8,053,000) is expected to be funded by the Government of the Province of Manitoba grants for the subsidization of construction costs, with the balance of $9,571,000 (1986 - $8,402,000) to be funded from the Board's Capital Authority (Note 8) which will be repayable by municipalities through cash payments (Note 3).

10. LITIGATION

The Board is involved in a civil suit with regard to one of its sewer projects. As a result of the Board's claim for damages a counter suit has been filed by one of the contractors claiming damages from the Board totalling $199,000. There has been no provision in the financial statements for the claim or counter suit.

Manitoba

MOOSE LAKE LOGGERS LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Moose Lake Loggers Ltd. as at March 31, 1987 and the statements of retained earnings, revenues and expenditures, and changes in financial position, and the schedule of operating expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

September 24, 1987,
Winnipeg, Manitoba.

Exhibit A

MOOSE LAKE LOGGERS LTD.

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

	1987	1986
Current assets:		
Short term deposits	$ 125,000	$ 50,000
Accounts receivable:		
Trade	400,012	339,389
Employees	39,752	11,350
Government of the Province of Manitoba	2,960	-
	442,724	350,739
Loans receivable from sub-contractors re purchase of equipment - unsecured	46,808	74,736
Inventories, at cost	46,589	58,659
Prepaid expenses	29,486	2,132
Total current assets	690,607	536,266
Fixed assets, at cost: (Note 4)		
Buildings and trailers	509,829	509,829
Less accumulated depreciation	403,878	359,988
	105,951	149,841
Equipment	259,129	244,508
Less accumulated depreciation	197,681	197,441
	61,448	47,067
Other assets, at cost: (Note 4)		
Campsite improvements	95,197	90,579
Less accumulated amortization	52,385	37,107
	42,812	53,472
Main road construction	235,321	235,321
Less grants received	156,000	156,000
	79,321	79,321
Less accumulated amortization	77,061	71,454
	2,260	7,867
Total fixed and other assets	212,471	258,247
	$ 903,078	$ 794,513

Exhibit A

LIABILITIES AND SHAREHOLDERS' EQUITY

		1987	1986
Current liabilities:			
Excess of outstanding cheques over bank balances		$ 108,367	$ 67,082
Bank demand loan (Note 5)		70,000	110,000
Accounts payable and accrued liabilities:			
Trade		108,963	64,114
Government of the Province of Manitoba		12,520	13,135
Wage deductions		73,174	65,964
Employees		27,786	43,438
		222,443	186,651
Total current liabilities		400,810	363,733
Shareholders' equity:			
Capital stock (Note 2):			
Authorized - 35,000 common shares for a maximum consideration of	$350,000		
Issued and fully paid - 30,009 common shares		300,090	300,090
Contributed surplus:			
Grant from the Government of Canada towards capital expenditures		5,720	5,720
Retained earnings, Exhibit B		196,458	124,970
Total shareholders' equity		502,268	430,780
		$ 903,078	$ 794,513

Exhibit B

MOOSE LAKE LOGGERS LTD.

Statement of Retained Earnings
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Balance, beginning of year	$ 124,970	$ 136,587
Plus: Revenues over (under) expenditures, Exhibit C	71,488	(11,617)
Balance, end of year, Exhibit A	$ 196,458	$ 124,970

Exhibit C

MOOSE LAKE LOGGERS LTD.

Statement of Revenues and Expenditures for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Revenues:		
Log cutting contract - Manfor Ltd.	$ 3,009,509	$ 2,992,638
Commissary sales	358,100	309,355
Board charges	59,310	55,216
Trainee reimbursement	-	23,497
Road maintenance	18,047	16,191
Interest income	3,113	11,802
Accounting service fees	3,150	2,900
Tree planting	129,620	-
Miscellaneous	1,157	4,872
Total revenues	3,582,006	3,416,471
Expenditures, Exhibit E:		
Log cutting contracts	2,187,597	2,224,108
Camp operations	974,005	954,730
General and administrative	240,642	249,250
Tree planting	108,274	-
Total expenditures, Exhibit E	3,510,518	3,428,088
Revenues over (under) expenditures, Exhibit B	$ 71,488	$ (11,617)

Exhibit D

MOOSE LAKE LOGGERS LTD.

Statement of Changes in Financial Position
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Cash Provided By (Used For):		
Operating Activities:		
Net profit (loss)	$ 71,488	$ (11,617)
Item not involving cash		
Depreciation and amortization	87,000	94,434
	158,488	82,817
Net change in non-cash working capital balances related to operations	(43,549)	(141,849)
	114,939	(59,032)
Financing activity:		
Reduction in long term debt-conditional sales agreement	-	(88,350)
Investing activities:		
Additions to fixed assets	(45,474)	(54,097)
Net proceeds from disposals of fixed assets	4,250	25,661
	(41,224)	(28,436)
Increase (decrease) in cash	73,715	(175,818)
Cash (Deficiency) At Beginning Of Period	(127,082)	48,736
Cash Deficiency At End Of Period	$ (53,367)	$(127,082)
Represented by:		
Short term deposits	$ 125,000	$ 50,000
Bank demand loan	(70,000)	(110,000)
Outstanding cheques	(108,367)	(67,082)
	$ (53,367)	$(127,082)

Exhibit E

MOOSE LAKE LOGGERS LTD.

Schedule of Operating Expenditures
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Log cutting contracts:		
Wages and benefits	$ 1,444,900	$ 1,451,408
Equipment rental	643,167	641,692
Fuel and oil	65,407	82,876
Miscellaneous supplies	16,263	29,669
Repairs and maintenance	17,860	18,419
Insurance	-	44
Exhibit C	2,187,597	2,224,108
Camp operations:		
Wages and benefits	252,219	270,207
Provisions	110,122	108,296
Fuel and oil	89,608	92,237
Repairs and maintenance	78,381	89,263
Depreciation	73,936	79,185
Freight	3,785	10,219
Insurance	31,142	6,196
Amortization - main road	5,607	5,663
Interest on conditional sales agreement	-	4,621
Equipment rental	2,159	2,285
	646,959	668,172
Commissary - cost of sales	327,046	286,558
Exhibit C	974,005	954,730
Carried forward	$ 3,161,602	$ 3,178,838

Exhibit E

MOOSE LAKE LOGGERS LTD.

Schedule of Operating Expenditures
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Brought forward	$ 3,161,602	$ 3,178,838
General and administrative:		
Wages and benefits	135,790	147,556
Health and post secondary education tax levy	23,966	24,807
Professional fees	15,445	14,599
Fuel and oil	10,429	12,640
Depreciation	6,167	8,024
Directors' fees and salaries	6,685	7,372
Directors' travel	4,922	7,073
Communications	3,639	4,532
Insurance	7,292	3,547
Stationery and supplies	2,965	3,544
Travel	5,688	3,544
Repairs and maintenance	5,724	3,363
Bad debt expense	-	639
Miscellaneous	4,795	8,010
Profit sharing plan	7,135	-
Exhibit C	240,642	249,250
Tree planting:		
Wages and benefits	90,288	-
Health and post secondary education tax levy	1,155	-
Fuel and oil	656	-
Tools and bags	5,699	-
Equipment maintenance	4,527	-
Bus and trucks	3,780	-
Miscellaneous	2,169	-
Exhibit C	108,274	-
Total expenditures, Exhibit C	$ 3,510,518	$ 3,428,088

MOOSE LAKE LOGGERS LTD.

Notes to Financial Statements
for the year ended March 31, 1987

1. Significant Accounting Policies

The following is a summary of the significant accounting policies of the Company.

Fixed assets:
Fixed assets are stated at cost. It is the company's policy to provide for depreciation and amortization of fixed assets on the basis shown in Note 4.

Revenue recognition:
Pulpwood sales are recognized on the basis of pulpwood delivered to roadside and scaled, in accordance with the terms of the sales contract.

2. Capital Stock

The issued shares are held by the Government of the Province of Manitoba except for nine shares which are held by the appointed directors in trust for Her Majesty the Queen in right of the Province of Manitoba.

3. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides the services of the Secretary-Treasurer and other miscellaneous administrative services at no charge to the Company. The cost of these services is approximately $32,000 (1986 - $30,000). The Government of the Province of Manitoba has previously provided Workers Compensation coverage for Company staff at no charge to the Company. Effective October 1, 1985 the Company agreed to pay the lesser of $5,000 per month or actual costs billed to the Government of the Province of Manitoba. The total cost to the Company was $41,059 (1986 - $30,000). Actual costs paid by the Government of the Province of Manitoba to the Workers Compensation Board on the Company's behalf were $51,120 (1986 - $265,326).

4. Fixed Assets and Other Assets

The Company depreciates its fixed assets and amortizes its other assets on the following basis:

	Annual Rate
A) Depreciation	
a) Straight line	
Buildings	10-33 1/3%
Trailers	15-33 1/3%
Equipment	20-33 1/3%
b) Diminishing balance	
Trucks	30%
B) Amortization	
a) Straight line	
Campsite improvements	12 1/2 - 33 1/3%
b) Other	
Main road construction	10 cents per cord sold

Notes to Financial Statements
for the year ended March 31, 1987

5. Bank Demand Loan

The bank demand loan is guaranteed by the Government of the Province of Manitoba to a maximum of $500,000 including unpaid interest.

6. Economic Dependence

The Company is economically dependent on the Government of the Province of Manitoba and Manfor Ltd., which is wholly owned by the Government of the Province of Manitoba.

7. Comparative Figures

Certain figures for the preceding period, as set out in the Statement of Changes in Financial Position - Exhibit D, have been reclassified to conform with the presentation adopted for this Statement in 1987.

Manitoba

THE PUBLIC SCHOOLS FINANCE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Public Schools Finance Board for the fiscal year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied, except for the change in the method of accounting for compensatory, small schools and early identification support as described in note 6 to the financial statements, on a basis consistent with that of the preceding year.

JW Singleton

J. W. Singleton, C.A.,
Assistant Provincial Auditor.

March 27, 1987,
Winnipeg, Manitoba.

Exhibit A

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
as at December 31, 1986
(with 1985 figures for comparison)

	1986	1985
A S S E T S		
Cash in bank	$ 437,484	$ 3,173,019
Accounts receivable:		
Government of the Province of Manitoba	14,855,468	9,216,423
Municipal corporations, education support levies	74,708,883	73,043,974
Miscellaneous	252,071	271,165
Prepaid expense	1,034	3,316
	$ 90,254,940	$ 85,707,897
L I A B I L I T I E S		
Accounts payable and accrued charges:		
Education Support	$ 3,015,888	$ 10,620,526
Other	1,252,250	1,526,841
Notes payable on demand, at bank prime - Government of the Province of Manitoba	68,711,600	65,740,000
	72,979,738	77,887,367
Municipal corporations' education support levies account, Note 5, Exhibit C	17,275,202	7,820,530
	$ 90,254,940	$ 85,707,897

Exhibit B

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure for the year ended December 31, 1986 (with 1985 figures for comparison)

	1986	1985
Revenue:		
Government of the Province of Manitoba, share of the Government Support to Education Program	$ 403,840,245	$ 383,671,332
Municipal corporations, education support levy	186,904,940	183,016,763
	590,745,185	566,688,095
Excess of revenue over expenditure carried forward to municipal corporations' education support levies account, Note 2(b), Exhibit C	9,173,304	2,942,593
	$ 581,571,881	$ 563,745,502
Expenditure:		
Government Support to Education Program:		
Education support, Schedule 1	$ 573,279,314	$ 555,623,563
Administrative and other expenses, Schedule 2	8,292,567	8,121,939
	$ 581,571,881	$ 563,745,502

Exhibit C

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Municipal Corporations' Education Support Levies Account for the year ended December 31, 1986 (with 1985 figures for comparison)

	1986	1985
Balance, beginning of year	$ 7,820,530	$ 5,085,273
Excess of revenue over expenditure, Note 2(b), Exhibit B	9,173,304	2,942,593
	16,993,834	8,027,866
Adjustment of previous years' education support from estimated to actual, Note 2(c)	281,368	(43,610)
Adjustment of prior years' levies, Note 3	-	(163,726)
	281,368	(207,336)
Balance, end of year, Note 5, Exhibit A	$ 17,275,202	$ 7,820,530

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Education Support
for the year ended December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Operating:		
Block	$ 376,027,517	$ 374,910,953
Equalization	60,595,956	48,663,756
Special services	37,678,920	36,110,064
Transportation	25,705,110	25,315,823
Curricula materials	7,349,648	7,378,180
Bilingualism	5,366,019	2,182,419
Vocational industrial	4,997,900	4,636,340
Native	1,687,950	1,241,656
Inner city	1,380,755	-
Compensatory, Note 6	1,208,233	2,895,427
Immigrant	1,101,672	812,920
Small schools, Note 6	756,196	1,826,450
Heritage language	462,127	224,504
Loss of Indian enrolment	169,998	-
Early identification, Note 6	88,010	250,000
Capital:		
Debt servicing, Note 2(a) and Note 4	35,964,253	35,305,981
Other	6,532,647	7,086,773
Buses	4,734,155	5,292,622
Vocational equipment	1,472,248	1,489,695
Total education support, Exhibit B	$ 573,279,314	$ 555,623,563

Schedule 2

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Administrative and Other Expenses for the year ended December 31, 1986 (with 1985 figures for comparison)

	1986	1985
Board members' indemnities	$ 97,066	$ 99,668
Staff salaries, Note 7	526,965	413,138
Professional services	37,291	60,498
Travel and sundry	43,573	34,429
Printing, stationery and supplies	44,635	33,960
Equipment, Note 2(a)	24,770	28,721
Telephone	13,423	10,877
Equipment rentals	3,604	5,792
Interest charges on loans for advances of support	7,501,240	7,434,856
Total administrative and other expenses, Exhibit B	$ 8,292,567	$ 8,121,939

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1986

1. Nature of the Board's Operations

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April 1967. The objectives of the Board are to facilitate the financing of the Government Support to Education Program for school divisions and to assist boards of school divisions in the economic operation of the school system. The Board is responsible for the administration of the support provided under the Program.

2. Significant Accounting Policies

(a) The accounts of the Board are maintained on an accrual basis, except for debt servicing support which is expensed on a cash basis, and fixed asset purchases which are expensed in the year of acquisition.

(b) Education support requirements are determined in the first instance on the basis of financial budgets of school divisions. The amount of the funding requirements not covered by the Province is raised by municipal corporations. The excess or deficiency of revenue over expenditure is reflected in the municipal corporations' education support levies account.

(c) The education support for previous years is adjusted based on final statistical reports and audited financial statements of the school divisions. The statement of municipal corporations' education support levies account, Exhibit C, reflects the adjustment.

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1986

3. Adjustment of Prior Years' Levies

In 1985, the Board approved an adjustment of prior years' levies for uncollectible grants-in-lieu of taxes on federal government properties, where these properties were not within a school division. There were no such adjustments in 1986.

4. Debt Servicing

The capital support portion of the Government Support to Education Program includes payments made to service the debenture debt of the school divisions during the fiscal year. The Board has not, however, assumed the legal liability related to the repayment of such long-term debt.

5. Commitments

As at December 31, 1986, the Board has $1,160,682 (1985 - $2,131,130) in outstanding commitments for the purchase of school buses, and $504,765 (1985 - $816,000) for vocational equipment and other capital project approvals carried forward.

6. Change in Accounting Policy

In the previous year compensatory, small schools and early identification support were provided on a school year basis, to June 30, 1986, and expensed in the year ended December 31, 1985.

6. Change in Accounting Policy (continued)

In the current year compensatory, small schools and early identification support were provided for the fall term of 1986. Subsequent years support will be provided on a calendar year basis. The effect of this change, which has been applied prospectively, on the financial statements in the current period is a reduction in the Government Support to Education Program and an increase in the excess of revenue over expenditures carried forward to municipal corporations' education support levies account of approximately $2,700,000.

7. Staff Salaries

The Government of the Province of Manitoba provides the Board with staff for administrative purposes. A portion of the employees' salaries is charged to the Board's operations.

Manitoba

THE PUBLIC SERVICE GROUP INSURANCE FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to E and Schedules 1 to 4, of The Public Service Group Insurance Fund for the fiscal year ended April 30, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at April 30, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

December 23, 1986,
Winnipeg, Manitoba.

Exhibit A

THE PUBLIC SERVICE GROUP INSURANCE FUND
Balance Sheet
as at April 30, 1986
(with 1985 figures for comparison)

ASSETS

	1986	1985
Cash in bank	$ 16,723	$ 5,841
Investments at amortized cost, Note 2(a)(d), Schedule 4	20,960,566	17,499,308
Amounts Held By Canada Life Assurance Company:		
Disability Claims - Employee's Group Life Insurance Plan Part of the Fund	94,275	97,875
Rate Stabilization - Accidental Death and Disablement Plan Part of the Fund, Notes 9 and 11, Schedule 2	619,105	1,020,241
Accrued interest on investments	554,346	392,310
	$22,245,015	$19,015,575

LIABILITIES

Accounts payable	$ 75,019	$ 82,945
Amount payable to Canada Life Assurance Company:		
Employee's Group Life Insurance Plan Part of the Fund Note 5, Schedule 1	482,579	(202,958)
Provision for investment losses, Note 2(d), Exhibit E	204,929	152,528
Reserve (Deficit) for current and future benefits for:		
Employee's Group Life Insurance Plan Part of the Fund, Note 6, Exhibit B	18,664,904	17,002,068
Accidental Death and Disablement Plan Part of the Fund, Note 12, Exhibit C	2,882,375	2,036,390
Dependents' Group Life Insurance Plan Part of the Fund, Note 16, Exhibit D	(64,791)	(55,398)
	$22,245,015	$19,015,575

Exhibit B

THE PUBLIC SERVICE GROUP INSURANCE FUND
Employee's Group Life Insurance Plan Part of the Fund
Statement of Operations and Change in the Reserve
for the year ended April 30, 1986
(with 1985 figures for comparison)

	1986	1985
Income:		
Contributions, Note 2(c):		
Employees	$ 5,700,384	$ 5,207,563
Employers	2,161,134	2,148,732
Retired Employees	355,833	313,490
Total contributions	8,217,351	7,669,785
Investment income, Note 2(d):		
Interest	2,029,248	1,951,703
Amortization of discount	11,055	1,868
Transfer to provision for investment losses, Exhibit E	(46,765)	(41,191)
Total investment income	1,993,538	1,912,380
Total income	10,210,889	9,582,165
Expenditures:		
Premiums paid to Canada Life Assurance Company	7,986,962	7,432,390
Administration fee charged by The Civil Service Superannuation Board	61,596	62,760
Professional fees	10,310	14,938
Other	3,549	3,720
Total expenditures	8,062,417	7,513,808
Excess of income over expenditures	$ 2,148,472	$ 2,068,357

Change in the Reserve

	1986	1985
Balance at beginning of year	$17,002,068	$14,789,879
Excess of income over expenditures	2,148,472	2,068,357
Experience surplus (deficit) on Canada Life operations, Note 5, Schedule 1	(485,636)	143,832
Balance at end of year, Exhibit A	$18,664,904	$17,002,068

Exhibit C

THE PUBLIC SERVICE GROUP INSURANCE FUND
Accidental Death and Disablement Plan Part of the Fund
Statement of Operations and Change in the Reserve
for the year ended April 30, 1986
(with 1985 figures for comparison)

	1986	1985
Income:		
Contributions, employers, Note 2(c)	$ 882,589	$ 852,962
Investment income:		
Investment income - interest	233,888	177,222
Transfer to provision for investment losses, Exhibit E	(5,636)	(2,500)
Total investment income	228,252	174,722
Total income	1,110,841	1,027,684
Expenditures:		
Premiums paid to Canada Life Assurance Company	644,290	622,662
Administration fee charged by The Civil Service Superannuation Board	6,620	6,407
Professional fees	1,108	1,526
Other	382	-
Total expenditures	652,400	630,595
Excess of income over expenditures	$ 458,441	$ 397,089

Change in the Reserve

	1986	1985
Balance at beginning of year	$ 2,036,390	$ 1,341,998
Excess of income over expenditures	458,441	397,089
Experience surplus on Canada Life operations, Note 9, Schedule 2	387,544	297,303
Balance at end of year, Exhibit A	$ 2,882,375	$ 2,036,390

Exhibit D

THE PUBLIC SERVICE GROUP INSURANCE FUND
Dependents' Group Life Plan Part of the Fund
Statement of Operations and Change in the Reserve (Deficit)
for the year ended April 30, 1986
(with 1985 figures for comparison)

	1986	1985
Income:		
Contributions, Note 2(c):		
Employees	$ 456,572	$ 452,161
Retired employees	37,930	34,043
Total contributions	494,502	486,204
Bank interest	619	465
Total income	495,121	486,669
Expenditures:		
Premiums paid to Canada Life	494,502	486,204
Administration fee charged by The Civil Service Superannuation Board	3,742	3,640
Professional fees	626	866
Other	5,644	5,336
Total expenditures	504,514	496,046
Excess of expenditures over income	$ 9,393	$ 9,377

Change in the Reserve (Deficit)

	1986	1985
Deficit at beginning of year	$ 55,398	$ 46,021
Excess of expenditures over income	9,393	9,377
Deficit at end of year, Note 16 Exhibit A	$ 64,791	$ 55,398

Exhibit E

THE PUBLIC SERVICE GROUP INSURANCE FUND

Statement of Changes in the Provision for Investment Losses for the year ended April 30, 1986 (with 1985 figures for comparison)

	1986	1985
Employee's Group Life Insurance Plan Part of the Fund		
Balance at beginning of year	$ 146,464	$ 105,273
Transfer in accordance with investment policy, Note 2(d), Exhibit B	46,765	41,191
Balance at end of year	$ 193,229	$ 146,464
Accidental Death and Disablement Plan Part of the Fund		
Balance at beginning of year	$ 6,064	$ 3,564
Transfer in accordance with investment policy, Note 2(d), Exhibit C	5,636	2,500
Balance at end of year	$ 11,700	$ 6,064
Total Provision at end of year, Exhibit A	$ 204,929	$ 152,528

Schedule 1

THE PUBLIC SERVICE GROUP INSURANCE FUND
Employee Group Life Insurance Plan Part of the Fund
Statement of Group Life Experience and Change in Amount Held by Canada Life Assurance Company
for the year ended April 30, 1986 - Note 5
(with 1985 figures for comparison)

	1986	1985
Income:		
Premiums:		
Received from the Fund	$ 7,986,962	$ 7,432,390
Expenditures:		
Claims, Note 2(e):		
Death claims reported	7,887,752	6,571,713
Disability claims reported	321,000	469,049
Total claims	8,208,752	7,040,762
Charge for conversions	16,317	22,483
Risk charge	7,920	6,400
Premium taxes	159,739	144,589
Retention charge	79,870	74,324
Total expenditures	8,472,598	7,288,558
Experience surplus (deficit) on operations, Note 5, Exhibit B	$ (485,636)	$ 143,832
Amount held by Canada Life Assurance Company		
Balance at beginning of year	$ 202,958	$ 1,248,721
Experience rebate paid to the Fund	(202,958)	(1,248,721)
Experience surplus (deficit) on operations	(485,636)	143,832
Transfer from Disability Claims	3,600	2,250
Interest credited (charged)	(543)	56,876
Balance at end of year, Exhibit A	$ (482,579)	$ 202,958

Schedule 2

THE PUBLIC SERVICE GROUP INSURANCE FUND
Accidental Death and Disablement Plan Part of the Fund
Statement of Accidental Death and Disablement Experience and Change in Amount Held By Canada Life Assurance Company for the year ended April 30, 1986 - Note 9
(with 1985 figures for comparison)

	1986	1985
Income:		
Premiums received from the Fund	$ 644,290	$ 622,662
Expenditures:		
Death claims, Notes 2(e)	227,287	316,334
Claims charge	1,125	1,350
Retention charge	6,443	6,227
Risk charges	6,480	5,400
Premium taxes	12,886	(3,952)
Legal Fees	2,525	-
Total expenditures	256,746	325,359
Experience surplus on operations, Note 9, Exhibit C	$ 387,544	$ 297,303
Amount Held by Canada Life Assurance Company		
Balance at beginning of year	$ 1,020,241	$ 638,023
Experience rebate paid to the Fund	(820,241)	-
Experience surplus on operations	387,544	297,303
Interest credited	31,561	84,915
Balance at end of year, Notes 9 and 11, Exhibit A	$ 619,105	$ 1,020,241

Schedule 3

THE PUBLIC SERVICE GROUP INSURANCE FUND

Dependents' Group Life Plan Part of the Fund
Statement of Dependents' Group Life Experience and
Change in the Deficit Reported by Canada Life Assurance Company
for the year ended April 30, 1986- Note 14
(with 1985 figures for comparison)

	1986	1985
Income:		
Premiums received from the Fund	$ 494,502	$ 486,204
Expenditures:		
Death claims, Note 2(e)	488,000	537,000
Expenses	6,420	6,712
Conversion charges	3,115	620
Premium taxes	9,890	9,724
Total expenditures	507,425	554,056
Experience surplus (deficit) on operations, Note 14	$ (12,923)	$ (67,852)

Change in the Deficit Reported by Canada Life Assurance Company

	1986	1985
Deficit at beginning of year	$ 158,550	$ 90,698
Experience (surplus) deficit on operations	12,923	67,852
Deficit at end of year, Note 15	$ 171,473	$ 158,550

Schedule 4

THE PUBLIC SERVICE GROUP INSURANCE FUND

Summary of Investments
as at April 30, 1986

	Par Value	Book Value
Short term investments with the		
Minister of Finance		$ 2,977,987
Government of Canada Treasury Bills		9,045,100
		12,023,087
Bonds and debentures:		
Government of Canada	$ 8,500,000	8,453,312
Ontario Hydro	500,000	484,167
	$ 9,000,000	8,937,479
Total investments - Exhibit A		$20,960,566
Allocation to the Plan Parts, Note 2(a):		
Employee Group Life Insurance Plan Part of the Fund		18,706,082
Accidental Death and Disablement Plan Part of the Fund		2,254,484
		$20,960,566

THE PUBLIC SERVICE GROUP INSURANCE FUND
Notes to Financial Statements
for the year ended April 30, 1986

1. Nature of operation:

The Public Servants Insurance Act provides for the establishment of a Fund to be known as the Public Service Group Insurance Fund. The Fund is responsible for the administration of the group insurance policies entered into by the Government and the Insurer. The Fund's operations are split into three parts and reported separately for:

the Employee's Group Life Insurance Plan Part
the Accidental Death and Disablement Plan Part, and
the Dependents' Group Life Insurance Plan Part.

This split is consistent with the financial arrangements with the Insurance Company.

2. Significant accounting policies:

The Fund's fiscal year coincides with the insurance policy year. The financial statements reflect the results of transactions based on the following significant accounting policies:

(a) Funds available for investment are pooled and in order to allocate investment income, the investments acquired are allocated to the Plans on the basis of their accumulated reserves.

(b) Direct costs are charged to each Plan. The Civil Service Superannuation Board administration fee and other administration costs that are not identified as direct costs are allocated between Plans based on the proportion of each Plan's contributions to total contributions for all Plans.

(c) Contributions include an accrual in respect of the partial insured period ending April 30th for each insurance policy year.

(d) The provision for investment losses, shown in the Balance Sheet, does not reflect a valuation of the investments, but is maintained to stabilize and even out the investment income.

The investment income measurement policies consist of:

Premiums on bonds and debentures in excess of one percent of par value are amortized on a straight line basis over the remaining term and are charged to the provision for investment losses. All other premiums on investments are charged to the provision in the year of acquisition.

Discounts on bonds and debentures within or equal to one percent of par value are credited to income in the year of acquisition. All other discounts on investments are amortized on a straight line basis over the remaining or renewable term and are credited to income.

6. Termination:

If this policy is terminated, the surplus or deficit will be determined in accordance with the terms of the policy on a final settlement date. If on the final settlement date there is a surplus, after taking into account any surplus or deficit carried forward from previous years, the Insurer will pay the surplus as a final refund to the Fund. If there is a deficit, after taking into account any surplus or deficit carried forward from prior years, the Fund will pay the Insurer the amount of such deficit out of its Employee's Group Life Insurance Reserve and to the extent that such reserve is insufficient, payment will be made by the Province of Manitoba.

7. Interest:

Interest will be added to any surplus or deficit from the end of the policy year on which the surplus or deficit is incurred, to the date of payment or recovery. The rates of interest are negotiated with the Insurer annually.

8. Maximum claim charge:

The claim charge to the Employee's Group Life Insurance Plan arising from a multiple death catastrophe is subject to an overall maximum of $450,000 being three times the maximum individual claim with any excess absorbed by the Insurance Company.

Accidental Death and Disablement Plan Part of the Fund

9. Experience rating:

The Insurer will, after the end of each policy year, determine whether a surplus or deficit has been incurred in accordance with the terms of the Accidental Death and Disablement Benefit Policy (Schedule 2). The surplus or deficit at the end of the policy year will be carried forward and accumulated for the three year policy period. The cumulative net surplus, if any, will be paid to the Fund as an experience rating refund after the three year policy period. The cumulative net deficit, if any, will be carried forward to be recovered against future surplus.

10. Interest:

Interest will be added to any surplus or deficit from the end of the policy year in which the surplus or deficit is incurred to the date of payment or recovery. The rates of interest are negotiated with the Insurer annually.

THE PUBLIC SERVICE GROUP INSURANCE FUND
Notes to Financial Statements
for the year ended April 30, 1986 (cont.)

Investment income is reduced annually by 1/4 of 1% of the book value of investments to a maximum of the provision not exceeding 3% of the book value of the investments and the amount of the reduction is credited to the provision.

Differences between amounts realized from the redemption or sale of investments and their book value are reflected in the provision.

(e) Claims recorded also include claims for a fiscal year which were processed within five months after the fiscal year end. There were no reported claims unrecorded as at April 30, 1985 and April 30, 1986.

3. Actuarial reports:

The financial statements do not take into account actuarial valuations and, therefore, do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with the Act, a triennial actuarial valuation and report is required to be made on the status of the Fund. The actuarial report as at December 31, 1985 disclosed an actuarial surplus of $6,815,225 in the Employees' Group Life Insurance Plan Part of the Fund, an actuarial surplus of $4,285,997 in the Accidental Death and Disablement Insurance Plan Part of the Fund, and an actuarial surplus of $8,825 in the Dependents' Group life Insurance Plan Part of the Fund.

Employee's Group Life Insurance Plan Part of the Fund

4. Maximum group life insurance coverage:

The maximum amount of Employees' Group Life Insurance was $82,750 from June 1, 1981 to May 31, 1983 and included a 5% dividend to a maximum of $2,500. The term of the dividend of 5% was extended from June 1, 1983 to June 30, 1984.

Effective July 1, 1984 the maximum amount of Employees' Group Life Insurance was increased to four times annual salary to a maximum annual salary of $37,500 providing insurance of $150,000, plus a dividend to a maximum of $8,025, amounting to total maximum coverage of $158,025.

5. Experience rating:

The Insurer will, after the end of each policy year, determine whether a surplus or deficit has been incurred in accordance with the terms of the Group Life Insurance Policy (Schedule 1). The Insurer agrees to pay the full amount of any surplus determined, less any deficits carried forward from prior years. If there is a deficit, the Fund and the Insurer shall determine the method of repayment.

11. Policy period May 1, 1982 to April 30, 1985:

The three year policy term under the Accidental Death and Disablement Plan Part of the Fund expired April 30, 1985 with an accumulated surplus experience and interest of $1,020,241. The Insurance Company transferred $820,241 to the Fund subsequent to April 30, 1985 for the three year period ending April 30, 1985 which represented the total surplus plus interest for the three year period ending April 30, 1985 less an amount of $200,000 which was withheld for two denied claims that may be litigated by the claimants. A new three year policy under the Accidental Death and Disablement Plan Part of the Fund commenced May 1, 1985.

12. Termination:

If this policy is terminated, the surplus or deficit will be determined on a final settlement date. If on the final settlement date there is a surplus, after taking into account any surplus or deficit carried forward from previous years, the Insurer will pay the surplus as a refund to the Fund. If there is a deficit, after taking into account any surplus or deficit carried forward from previous years, the Fund will pay the Insurer the amount of such deficit out of its Accidental Death and Disablement Reserve and to the extent that such reserve is insufficient, payment will be made by the Province of Manitoba.

13. Maximum claim charge:

The claim charge to the Accidental Death and Disablement Plan arising from a multiple death catastrophe is subject to an overall maximum of $225,000 being three times the maximum individual claim with any excess absorbed by the Insurance Company.

Dependent's Insurance Plan Part of the Fund

14. Experience rating:

The Insurer will, after the end of each policy year, determine whether a surplus or deficit has been incurred in accordance with the terms of the Dependent's Insurance Policy (Schedule 3). If there is a surplus at the end of a policy year, after taking into account any deficit carried forward from previous years, the Insurer will pay the surplus to the Fund.

15. Termination:

If this policy is terminated, the surplus or deficit will be determined in accordance with the terms of the policy on a final settlement date. The Insurer will pay the Fund any cumulative surplus after taking into account surplus or deficits carried forward from previous years. Any cumulative net deficit will be written off by the Insurer (Schedule 3).

THE PUBLIC SERVICE GROUP INSURANCE FUND

Notes to Financial Statements for the year ended April 30, 1986 (cont.)

16. Reserve (Deficit):

The Dependent's Group Life Insurance Plan Reserve for Current and Future Benefits is in a deficit position (Exhibit D). This deficit will only be recoverable if the Dependent's Group Life Insurance Plan Part of the Fund generates a surplus. Upon the authorization of the Board, any deficit remaining at the completion of the term will have to be absorbed by the other Parts of the Fund.

The actuarial projections are favourable and the deficit is considered recoverable from future surplus.

Manitoba

THE PUBLIC TRUSTEE OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Public Trustee of Manitoba for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of affairs of the estates and trusts under jurisdiction of the Public Trustee as at March 31, 1987 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

October 30, 1987,
Winnipeg, Manitoba.

Exhibit A

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Balance Sheet of estates and trusts under administration
as at March 31, 1987
(with 1986 figures for comparison)

ASSETS

	1987	1986
Cash on hand and in bank:		
General	$ 316,692	$ 1,157,893
Accountable advance	401,495	2,661
	718,187	1,160,554
Expenditures recoverable from estates and trusts (Note 2 (a))	7,678	4,839
Common fund investments (Notes 2(b) and 7)	67,182,224	58,182,325
Term deposits, investment certificates and treasury bills, at par value	2,079,433	2,658,306
Government of Canada and other bonds, at par value	8,139,089	10,425,653
Shares of capital stock and mutual funds (Note 2(c))	2,247,412	2,341,064
Annuity contracts (Note 2(d))	2,242	95,214
Accounts receivable (Note 2(e))	100,962	103,339
Rentals receivable (Note 2(e))	2,200	952
Notes receivable, principal (Note 2(f))	121,171	176,242
Mortgages and agreements receivable (Note 2(f))	70,040	67,974
Interests in other estates (Note 2(g))	3,546	6,075
Real estate (Note 2(h))	3,044,043	3,481,979
	$ 83,718,227	$ 78,704,516

LIABILITIES

	1987	1986
Liabilities of estates:		
Mortgages, notes and agreements payable (Note 2(i))	$ 88,892	$ 163,435
Public Trustee, fees payable (Note 3)	18,780	13,579
	107,672	177,014
Government of the Province of Manitoba:		
The Public Trustee accountable advance	10,000	7,500
Administrative fees payable (Note 2(B))	399,173	-
	409,173	7,500
Estates and trusts under administration: (Note 2)		
Excess of recorded value of assets over liabilities:		
The Mental Health Act	57,815,836	54,464,014
The Public Trustee Act	25,385,546	24,055,988
	$ 83,718,227	$ 78,704,516

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Statement of Cash Receipts and Disbursements
for the year ended March 31, 1987
(with 1986 figures for comparison)

Exhibit B

RECEIPTS

	1987	1986
Funds held by estates and trusts brought under administration	$ 7,923,254	$ 6,162,850
Realization of equities in other estates	924,642	863,093
Pensions, compensation and assistance	10,260,995	9,337,978
Sickness, disability and other insurance benefits	1,261,796	1,368,079
Collections on account of:		
Accounts receivable	56,082	95,458
Rentals and leases receivable	178,294	216,027
Mortgages and agreements receivable	31,079	38,965
	265,455	350,450
Sale of chattels	86,563	129,537
Sale of real estate	1,406,634	1,016,163
Interest - bonds and investment certificates	8,290,239	8,216,717
Dividends	114,454	108,453
Bank interest	70,222	61,547
Statutory fees collected (Note 4)	28,047	7,073
Total receipts, before sale or redemption of securities	30,632,301	27,621,940
Sale or redemption of securities (Note 8)	50,571,608	71,697,052
Cash on hand and in bank at beginning of year	1,157,893	433,247
	$ 82,361,802	$ 99,752,239

DISBURSEMENTS

	1987	1986
Payments on account of:		
Accounts payable discharged	$ 156,457	$ 270,517
Mortgages and agreements payable	119,687	94,559
Real estate purchases	30,435	7,479
	306,579	372,555
Maintenance:		
Maintenance incurred in hospitals prior to June 30, 1958	141,582	139,368
Board, room and other expenses (Note 5)	10,653,019	8,195,475
	10,794,601	8,334,843
Preservation of estates:		
Realty and income taxes	843,547	921,026
Insurance	46,877	39,228
Repairs	66,600	73,721
Sundry	597,531	583,882
	1,554,555	1,617,857
Support of dependents	72,524	67,999
Administration and passing of accounts (Note 3)	2,602,893	2,278,834
Burial expenses	556,057	520,499
Estates and trusts released from administration	8,454,163	7,965,884
Statutory fees remitted (Note 4)	28,047	7,073
Total disbursements, before purchase of securities	24,369,419	21,165,544
Purchase of securities (Note 8)	57,675,691	77,428,802
Cash on hand and in bank at end of year	316,692	1,157,893
	$ 82,361,802	$ 99,752,239

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1987

1. Role and Objective

The Public Trustee acts on behalf of persons affected by various disabilities, mental disorders, age and death. The Public Trustee is considered to be an appointment of last resort and therefore provides a public service, generally, where there is no competent or acceptable person available to provide the required service.

2. Significant Accounting Policies

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the position on a modified accrual basis with the following exceptions:

A. **Assets**

All known assets are included in the Balance Sheet except for chattels, which are accounted for in separate accounting records, and accruals on investment earnings.

B. **Liabilities**

Liabilities are only recorded on the Balance Sheet where accounts are due to the Government of the Province of Manitoba, and in respect of mortgages, notes and agreements payable described in Note 2(i).

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) Expenditures Recoverable from Estates and Trusts

Expenditures recoverable from estates and trusts represent disbursements made on behalf of estates or trusts for which funds were not immediately available; these expenditures will be charged to the estates or trusts concerned in due course when funds become available. If funds do not become available, these expenditures are recovered from an appropriation of the Department of the Attorney-General, Province of Manitoba.

5

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1987

b) Common Fund Investments

Investments of the common fund, established pursuant to Section 7.1(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

c) Shares of Capital Stock and Mutual Funds

(i) Mental Health and Infant Trusts

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at a nominal value of $1.00.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at a nominal value of $1.00 where market value is not readily available.

All shares purchased by the Public Trustee are recorded at cost.

(ii) Estates of Deceased Persons

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values of $1.00 are used.

Shares recorded at Valuation Day prices (December 22, 1971), assumed under administration since December 22, 1971, and purchased by the Public Trustee, amount to $2,247,342 (1986 - $2,340,963), with the balance of the account representing share certificates of a nominal value of $1.00 each.

d) Annuity Contracts

Determinable receivables amount to $1,885 at March 31, 1987 (1986 - $94,884), with the balance of the account represented by receivables recorded at a nominal value of $1.00 each.

e) Accounts Receivable and Rentals Receivable

Determinable accounts receivable and rentals receivable amount to $102,533 at March 31, 1987 (1986 - $103,694), with the balance of the account represented by accounts and rentals receivables recorded at a nominal value of $1.00 each.

f) Notes, Mortgages and Agreements Receivable

Notes, mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accrued during administration is not recorded by the Public Trustee until such time as it is received.

g) Interests in Other Estates

Determinable interests in other estates amounts to $3,492 at March 31, 1987 (1986 - $6,018), with the balance of the account represented by interests in other estates recorded at a nominal value of $1.00 each.

h) Real Estate

Real estate is valued at a multiple of five times the assessed value on the property tax notice and amounts to $3,043,726 at March 31, 1987 (1986 - $3,481,684); the balance of the account, represented by burial plots, mines and mineral rights and mobile homes, are recorded at a nominal value of $1.00 each.

i) Mortgages, Notes and Agreements Payable

Mortgages, notes and agreements payable are recorded in instances where the possibility exists that payments may be made on account of these liabilities. Interest due and accrued during administration is not recorded until it is paid.

3. Administration Fees

Under Section 10 of The Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1987

4. Statutory Fees

Under Section 3.2(3) of The Public Trustee Act, the Public Trustee of Manitoba provides legal services for estates and trusts not under his administation. Fees for these services are recorded as receipts and remitted to the Government of the Province of Manitoba.

5. Board, Room and Other Expenses

Board, room and other expenses reflect payments made for current general living expenses, including clothing, comforts, medical, nursing home costs, etc., during periods of supervision, probation and hospitalization.

6. Administration Costs

Administration costs of the Public Trustee of Manitoba are paid out of appropriations of the Government of the Province of Manitoba and are not reflected in these financial statements. Where appropriate, these costs are recovered from estates and trusts in a manner as explained in Note 3.

7. Common Fund - Summary of Investments

The investments of the Common Fund consist of the following:

	1987 Par Value	1987 Book Value	1986 Book Value
Term deposits and investment certificates	$ 8,600,000	$ 8,600,000	$ 13,600,893
Government of Canada bonds	34,390,000	34,768,415	33,006,669
Province of British Columbia bonds	1,350,000	1,404,661	-
Province of Manitoba bonds	4,350,000	4,387,218	4,144,997
Province of Ontario bonds	1,900,000	1,897,925	1,896,027
Ontario Hydro-Electric bonds	14,230,000	14,891,816	4,836,889
Federal Business Development Bank	500,000	533,225	-
Federal Business Development Bank Euro-Canadian debentures	700,000	698,964	696,850
	$ 66,020,000	$ 67,182,224	$ 58,182,325

8. Comparative information

Comparative figures for the year ended March 31, 1986 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 1987.

Manitoba

THE TEACHERS' RETIREMENT ALLOWANCES FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B and C and Schedules 1 and 2, of The Teachers' Retirement Allowances Fund for the fiscal year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, CA,
Provincial Auditor

June 5, 1987
Winnipeg, Manitoba

Exhibit A

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Balance Sheet
as at December 31, 1986
(with 1985 figures restated for comparison)

ASSETS

	1986	1985
Investments, Schedule 1	$466,042,597	$405,778,345
Unamortized net adjustment to book value of securities sold before maturity	92,923	124,722
Accrued interest on investments	5,395,267	4,803,358
Investment income receivable	1,511,723	989,668
Teachers' contributions receivable from school divisions	2,234,808	2,373,570
Receivable from Government of the Province of Manitoba	533,577	87,000
Computer equipment, at cost less accumulated amortization of $67,168 (1985 - $35,668), Note 2(F)	104,495	107,767
	$475,915,390	$414,264,430

LIABILITIES

	1986	1985
Bank overdraft and cash on hand	$ 701,862	$ (280,710)
Money Purchase Account, Note 4, Exhibit C	19,444	120,989
Provision for Fund's share of employees' pension benefits, Note 2(E)	512,239	439,233
	1,233,545	279,512
Benefit Reserves, Exhibit B:		
Reserves for teachers' share of benefits:		
Basic	434,665,462	379,143,556
Pension indexing adjustments	38,563,706	33,576,226
Reserves for employers' share of benefits:		
Manitoba Teachers' Society	1,317,901	1,152,036
Manitoba Association of School Trustees	134,776	113,100
	474,681,845	413,984,918
	$475,915,390	$414,264,430

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Statement of Changes in Benefit Reserves
for the year ended December 31, 1986
(with 1985 figures restated for comparison)

Exhibit B

	1986					1985
	Reserve for Teachers' Share of Benefits		Reserve for Employers' Share of Benefits			
	Basic	Pension Indexing Adjustments	Manitoba Teachers' Society	Manitoba Association of School Trustees	Total	Total
Additions:						
Contributions:						
Teachers	$ 28,078,358	$ 4,811,438	$ --	$ --	$ 32,889,796	$ 31,213,813
Province of Manitoba:						
Share of benefits charged	18,681,771	--	--	--	18,681,771	16,436,923
Re: Actuarial liability created by 1970 and 1973 amendments	1,613,300	--	--	--	1,613,300	1,613,300
Prior rural service of certain Winnipeg teachers	127,460	--	--	--	127,460	133,351
Manitoba Teachers' Society	--	--	68,589	--	68,589	67,095
Manitoba Association of School Trustees	--	--	--	8,106	8,106	8,000
Other - Transfers under reciprocal agreements	687,658	--	--	--	687,658	909,930
Transfer from (to) Money Purchase Account, Exhibit C	135,725	--	--	--	135,725	(110,975)
Total contributions	49,324,272	4,811,438	68,589	8,106	54,212,405	50,271,437
Investment Income, Schedule 2, Note 2	42,406,224	4,384,169	131,420	13,570	46,935,383	39,495,826
Total additions	91,730,496	9,195,607	200,009	21,676	101,147,788	89,767,263
Deductions:						
Pensions paid	32,528,822	4,208,127	34,144	--	36,771,093	32,092,001
Contributions refunded	1,743,922	--	--	--	1,743,922	1,914,247
Transfers under reciprocal agreements	1,112,877	--	--	--	1,112,877	1,061,417
Administrative expenses	822,969	--	--	--	822,969	708,958
Total deductions	36,208,590	4,208,127	34,144	--	40,450,861	35,776,623
Net increase for year	55,521,906	4,987,480	165,865	21,676	60,696,927	53,990,640
Balance at beginning of year	379,143,556	33,576,226	1,152,036	113,100	413,984,918	359,994,278
Balance at end of year, Exhibit A	**$434,665,462**	**$38,563,706**	**$1,317,901**	**$134,776**	**$474,681,845**	**$413,984,918**

Exhibit C

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Statement of Money Purchase Account
for the year ended December 31, 1986
(with 1985 figures restated for comparison)

	1986	1985
Additions:		
Deposits	$ 33,304	$ 110,975
Allocation of interest income net of administration fee	876	10,014
	34,180	120,989
Deductions:		
Transfer to basic reserve, Exhibit B:		
Upon election of annuity	14,444	--
For transfer to other plans	121,281	--
	135,725	--
Increase (decrease) for the year	(101,545)	120,989
Balance at beginning of year	120,989	--
Balance at end of year, Exhibit A	$ 19,444	$ 120,989

Schedule 1

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Summary of Investments as at December 31, 1986

	Par Value	Book Value
Fixed income longer term investments, Note 2(B)(i):		
Bonds and debentures issued by, or guaranteed by, the following:		
Canada	$ 47,357,500	$ 39,967,585
Province of Alberta	165,000	164,837
Province of British Columbia	518,000	516,215
Province of Manitoba	23,437,000	23,407,457
Province of New Brunswick	915,000	912,413
Province of Newfoundland	1,150,000	1,144,430
Province of Nova Scotia	270,000	268,407
Province of Ontario	6,450,000	5,351,903
Province of Prince Edward Island	740,000	732,632
Province of Quebec	760,000	758,172
Province of Saskatchewan	700,000	697,590
Hospital Districts	6,435,000	6,418,743
Municipal corporations	11,118,475	11,095,843
Corporations	64,885,215	63,004,700
	164,901,190	154,440,927
Mortgages:		
Insured:		
National Housing Act (Canada)	83,619,089	83,014,511
Other	5,122,386	5,035,171
Uninsured	12,594,724	12,537,366
	101,336,199	100,587,048
Total fixed income longer term investments at amortized cost		255,027,975
Less: Provision for capital losses		2,364,909
Net fixed income longer term investments, carried forward		$252,663,066

Schedule 1

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Summary of Investments as at December 31, 1986

	Book Value
Brought Forward	$252,663,066
Non-fixed income investments, Note 2(B)(ii):	
Real estate equity investments:	
Common shares	25,185,924
Participating bonds	44,554,174
Qualifying shares	30,000
Total real estate equity investments, at appraised values	69,770,098
Less: Provision for valuation declines	1,554,684
Net real estate equity investments	68,215,414
Direct natural resource investments:	
Shares and notes, at cost plus interest in retained earnings	15,260,826
Investment in subsidiary, Note 3	7,105,676
Total direct natural resource investments	22,366,502
Venture capital equity investments, at appraised values	10,811,106
Less: Provision for valuation declines	556,500
Net venture capital equity investments	10,254,606
Mortgage investment corporation shares, at cost	1,312,021
Real estate acquired through mortgage defaults	6,030,988
Total non-fixed income investments	**108,179,531**
Short Term notes, at cost	**105,200,000**
Total Investments, Exhibit A	**$466,042,597**

Schedule 2

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Summary of Investment Income
for the year ended December 31, 1986
(with 1985 figures restated for comparison)

	1986	1985
Fixed income longer term investments, Note 2(B)(i):		
Interest	$28,441,356	$25,759,631
Amortization of discounts and premiums	927,614	451,426
	29,368,970	26,211,057
Less: Allocation to provision for capital losses	601,650	547,577
	28,767,320	25,663,480
Non-fixed income investments, Note 2(B)(ii):		
Real estate equity:		
Interest and dividends	4,953,529	4,703,509
Adjustment due to changes in book value of investments	437,958	503,977
	5,391,487	5,207,486
Direct natural resources:		
Income from subsidiary	579,721	1,080,153
Dividends	659,560	677,004
Adjustments due to changes in book value of investments	--	(82,987)
	1,239,281	1,674,170
Venture capital equity:		
Income	1,894,068	81,232
Adjustments due to changes in book value of investments	556,500	--
	2,450,568	81,232
Mortgage investment corporation:		
Dividends	--	153,826
Canadian Commercial Bank:		
Dividends	--	44,898
Adjustment due to changes in book value of investments	(299,995)	(1,660,863)
	(299,995)	(1,615,965)
Income from real estate acquired through mortgage defaults	603,946	352,338
Short term notes:		
Interest	8,834,164	8,032,679
Total investment income	46,986,771	39,549,246
Allocated to:		
Provision for Fund's share of employees' pension benefits	(50,512)	(43,406)
Money Purchase Account, net of administration fee	(876)	(10,014)
Net Investment Income, Exhibit B	**$46,935,383**	**$39,495,826**

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Notes to the Financial Statements
for the year ended December 31, 1986

1. **Nature of the Organization:**

The Teachers' Retirement Allowances Fund Board was originally constituted under an Act passed at the 1925 session of the Legislature and is responsible for administering the current legislation, The Teachers' Pensions Act. The Act provides for the establishment and maintenance of a pension plan and fund to provide retirement security for all public school teachers in Manitoba.

The Teachers' Retirement Allowances Fund primarily consists of contributions made by teachers and provides funds to meet half the cost of retirement benefits.

2. **Significant Accounting Policies:**

The significant accounting policies are summarized below:

(A) The Fund follows the accrual basis of accounting in all cases where the amount of the accrual is material, specifically teacher contributions and investment income.

(B) The investment valuation and income measurement policies consist of:

(i) Fixed income investments:

Income on fixed income investments includes the net effect of amortization of discounts and premiums on securities held as well as amortization of book losses on bonds sold before maturity in order to acquire other securities for an increase in net yield.

One quarter of 1% of the weighted average monthly book value during the year of fixed income longer term investments is allocated to a provision for capital losses and any actual losses realized are charged against the provision.

(ii) Non-Fixed income investments:

Where valuation information is available, which is considered by the Investment Committee to be reliable, equity investments are adjusted to reflect the change in their values. One-half of any unrealized appreciation is taken into income in the year and the balance is credited to the provision for valuation declines. In any year that the valuations decrease, the whole of the decrease is charged to the provision. When an investment is sold, the balance in the provision pertaining to the investment sold is transferred to income.

(a) Investment in subsidiary:

The investment in subsidiary is accounted for on the equity method. On this basis the net change in the equity of the wholly owned subsidiary, Teachers' Retirement Resources Investment Corporation of Manitoba Inc., is recognized as income to the Fund and increases the carrying value of the investment.

(b) Real estate acquired through mortgage defaults:

Properties taken over by the Fund as a result of mortgage defaults are recorded at cost. These properties presently provide the Fund with rental income and will be sold when economic conditions are favorable.

(C) Pension indexing adjustment reserve:

An allocation of teachers' contributions is made to the reserve in accordance with the Act. Interest is allocated to the reserve on the basis of the average rate earned by the Fund on all fixed income investments in the Fund.

Cost of living pension adjustment payments are calculated effective July 1 in each year and are based on the lesser of the increase in the Canadian Consumer Price Index for the preceding calendar year, or the amount, determined by an actuarial review, that could be paid without resulting in an unfunded liability in the reserve.

(D) Actuarial valuation:

The financial statements do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with the Act, an actuarial valuation and report is required every 3 years. The most recent actuarial report as at January 1, 1984, disclosed a surplus of $37,677,206 compared to an unfunded liability of $19,506,225 at January 1, 1981. This most recent valuation did not make allowance for the financial effect of changes required to be made as a result of amendments to The Pension Benefits Act and the Actuary advised that it is possible that all of the surplus will be required to finance the resulting increase in liabilities.

(E) Provision for Fund's share of employees' pension benefits:

A portion of the Fund was allocated to provide for the Fund's accrued actuarial liability based on an actuarial report at December 31, 1980. The report provided a method of allocating funds to the Provision each year between triennial valuations to recognize the annual increase in this liability and for adjustments to be made for actual experience at each valuation. Transactions affecting the Provision in 1986 and 1985 were as follows:

	1986	1985
Balance, beginning of year.............	$439,233	$377,448
Required employer contributions charged to Administrative expenses........	23,773	21,198
Interest allocated from investment income............................	50,512	43,406
	513,518	442,052
Less: Fund's share of pension payments.....................	1,279	2,819
Balance, end of year...................	$512,239	$439,233

(F) Computer Equipment:

Computer equipment and software acquisitions are capitalized and amortized on a straight line basis over five years.

3. Investment in Subsidiary:

The Teachers' Retirement Resources Investment Corporation of Manitoba Inc. (TRRICMI), a wholly owned subsidiary of the Fund, was incorporated on July 13, 1983, for the purpose of participating in the energy resource sector on behalf of the Fund.

The Fund's investment in TRRICMI is comprised of:

	1986	1985
Shareholder's advances............	$6,525,816	$5,245,307
Capital stock.....................	100	100
Retained earnings.................	579,760	1,279,739
Investment in subsidiary..........	$7,105,676	$6,525,146

4. Money Purchase Account:

The Teachers' Retirement Allowances Fund Board has established rules for the Money Purchase Account in accordance with Section 68 of The Teachers' Pensions Act. Under these rules, eligible individuals may transfer to the Money Purchase Account an amount from the Fund, the pension plan of a prior employer, or a locked-in registered retirement savings plan, to provide for an annuity or other settlement in the future. The Money Purchase Account is accounted for separately by the Board. The Board charges an annual administrative fee of 1% of the average value of the assets in the plan. The accumulated value of the eligible individual's account, upon election of an annuity under the Money Purchase Account, is transferred to the Basic Benefit Reserve.

MEYERS
NORRIS
PENNY & Co.

CHARTERED ACCOUNTANTS

8 Crescent E.
Box 546
Souris, Manitoba
R0K 2C0
(204) 483-2179

PARTNERS:

R.A. MEYERS, C.A.
D.W.A. NORRIS, C.A.
D.H. PENNY, F.C.A.
R.D. BAKER, C.A.
J.R. MORROW, C.A.
P.E.W. SAWYER, C.A.
N.F. COCHRANE, C.A.
D.L. CANNONS, C.A.
J.E. FINLAYSON, C.A.
D.M. McCONNELL, C.A.
T.D. KIRKUP, C.A.
P.S. ECKERSLEY, C.A.
J.D. STEWART, C.A.
D.L. RITCHIE, C.A.
B.D. PRITCHARD, C.A.
J.G. CRISTALL, C.A.
J.W. McWHIRTER, C.A.

26th August, 1987

The Members of the Board
Turtle Mountain Conservation District No. 4

AUDITORS' REPORT

We have examined the balance sheet of Turtle Mountain Conservation District No. 4 as at 31st March 1987 and the statements of revenue and expenditures - surplus (deficit) for the 15 months then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the District as at 31st March 1987 and the results of its operations for the 15 months then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change in year end as described in note 4 to the financial statements.

Meyers Norris Penny + Co.

Chartered Accountants

STATEMENT 1

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

BALANCE SHEET AS AT 31ST MARCH 1987

	MARCH 31 1987	DECEMBER 31 1985
ASSETS		
CURRENT ASSETS		
Cash	34,392	51,920
Accounts receivable - Note 2	7,217	9,761
Prepaid expenses		434
	41,609	62,115
FIXED ASSETS - Note 3	11,023	6,389
	52,632	68,504
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	5,632	37,665
Unearned revenue	970	2,932
	6,602	40,597
SURPLUS (DEFICIT)		
GENERAL BOARD PROGRAM - Statement 2	37,415	22,916
SUB-DISTRICT PROGRAM - Statement 3	1,124	(6,034)
EQUIPMENT PROGRAM - Statement 4	7,491	6,025
EQUIPMENT RESERVE		5,000
	46,030	27,907
	52,632	68,504

STATEMENT 2

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF REVENUE AND EXPENDITURES - SURPLUS - GENERAL BOARD PROGRAM

FOR THE 15 MONTHS ENDED 31ST MARCH 1987

	MARCH 31 1987	DECEMBER 31 1985
REVENUE		
Municipal levies	26,540	
Province of Manitoba	125,398	25,300
Ducks Unlimited Grant	6,962	84,642
Soils Committee	17,331	13,183
Recreation committee	656	198
Miscellaneous	3,599	2,985
Interest	476	439
	180,962	126,747
Transfer from equipment reserve	5,000	
Transfer from equipment program	2,580	
	188,542	126,747
EXPENDITURES		
Administrative		
Administration- Conservation District Authority	429	1,215
Administration - General	21,353	15,237
Administration - Local	397	530
Board and committee remuneration	10,697	3,960
Depreciation - office equipment	424	430
Depreciation - support program	549	40
District Supervisor - salary	37,838	27,547
District Supervisor - expenses	5,880	4,375
Program support assistance	3,817	
Public relations	132	
	81,516	53,334
Special Programs		
Demonstration programs	557	398
Forage seed assistance	45,936	35,419
Gully stabilization	5,183	4,558
Land ethic committee		3,054
Public education	3,838	1,820
Recreation committee	641	3,358
Road Allowance program	4,896	2,903
Shelter belt program	3,628	1,324
Wildlands committee		239
Wildlife Habitat improvement - uplands	27,848	8,929
Wildlife Habitat improvement - wetlands		3,000
	92,527	65,002
TOTAL EXPENDITURES	174,043	118,336
TRANSFER TO SUB-DISTRICT PROGRAM		5,000
	174,043	123,336
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	14,499	3,411
SURPLUS		
Balance - beginning of year	22,916	19,505
Balance - end of year	37,415	22,916

STATEMENT 3

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF REVENUE AND EXPENDITURES - SURPLUS (DEFICIT) - SUB-DISTRICT PROGRAM

FOR THE 15 MONTHS ENDED 31ST MARCH 1987

	Upper Pembina #59	Waskada Creek #65
REVENUE		
Municipal levies	7,840	8,592
Province of Manitoba	27,452	40,381
Municipal grant		
Transfer from Board Program		
	35,256	48,973
EXPENDITURES		
Multi-use reservoir		
Runway stabilization	30,471	53,841
Water storage	6,131	
	36,602	53,841
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,346)	(4,868)
SURPLUS		
Balance (at deficit) - Beginning of year	3,144	3,435
Balance (at deficit) - End of year	1,798	(1,433)

STATEMENT 3

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF REVENUE AND EXPENDITURES - SURPLUS (DEFICIT) - SUB-DISTRICT PROGRAM

FOR THE 15 MONTHS ENDED 31ST MARCH 1987

Medora Creek #66	Chain Lakes #67	Elgin Creek #68	Total March 31 1987	Total December 31 1985
10,410	2,792	9,254	38,852	32,575
29,637	7,635	17,611	122,716	116,365
	9,210		9,920	
				5,000
40,047	19,637	26,865	170,778	153,940
				21,172
39,516	10,180	23,481	157,489	110,584
			6,131	19,925
39,516	10,180	23,481	163,620	151,681
531	9,457	3,384	7,158	2,259
(2,973)	(9,369)	(271)	(6,034)	(8,293)
(2,442)	88	3,113	1,124	(6,034)

STATEMENT 4

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF REVENUE AND EXPENDITURES - SURPLUS - EQUIPMENT PROGRAM

FOR THE 15 MONTHS ENDED 31ST MARCH 1987

	MARCH 31 1987	DECEMBER 31 1985
REVENUE	10,335	4,153
EXPENDITURES		
Repairs and maintenance	3,602	1,532
Depreciation	2,687	2,149
	6,289	3,681
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING	4,046	472
TRANSFER TO GENERAL BOARD PROGRAM	2,580	
EXCESS OF REVENUE OVER EXPENDITURES	1,466	472
SURPLUS		
Balance - Beginning of year	6,025	5,553
Balance - End of year	7,491	6,025

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31ST MARCH 1987

NOTE 1 - ACCOUNTING POLICIES

Fixed Assets

Fixed assets are recorded at cost.

Depreciation

Depreciation is recorded on the straight line method at the following rates:

Office equipment	15%
Program Support equipment	
- Hudson spray	15%
- Even-spray sprayer	10%
Field equipment	
- Tractor	15%
- Other	10%

NOTE 2 ACCOUNTS RECEIVABLE

The accounts receivable are composed of the following:

	March 31 1987	December 31 1985
Trade accounts	905	491
Conservation District Authority of Manitoba	6,312	7,248
Municipalities		2,022
	7,217	9,761

TURTLE MOUNTAIN CONSERVATION DISTRICT NO.4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31ST MARCH 1987

NOTE 3 - FIXED ASSETS

The following is a summary of the fixed asset and accumulated depreciation accounts:

	Balance Beginning of Period	Additions	Balance End of Period
Fixed Assets			
Office equipment	3,671	138	3,809
Program support equipment	367	8,156	8,523
Field equipment			
- Tractor	12,859		12,859
- Other	2,205		2,205
	19,102	8,294	27,396
Accumulated Depreciation			
Office equipment	2,930	424	3,354
Program support equipment	181	549	730
Field equipment			
- Tractor	6,912	2,411	9,323
- Other	2,690	276	2,966
	12,713	3,660	16,373
Net Book Value	6,389		11,023

NOTE 4 - CHANGE IN FISCAL YEAR END

The fiscal year end has changed from December 31st to March 31 effective March 31, 1987. Accordingly operations reflect a 15 month period ended 31st March 1987, with comparative figures for the 12 months ended 31st December 1985.

No portion of municipal grants for the calender year 1987 have been reflected in the financial statements since the related expenses are incurred after March 31, 1987.

NOTE 5 - CONTRACTUAL OBLIGATIONS

The Conservation District is committed to a land purchase during the next year of which $11,000 remains payable as of 31st March 1987.

AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

I have examined the Balance Sheet of the Turtle River Watershed Conservation District as at March 31st, 1987 and other statements, being Exhibits "B" to "G" inclusive which covers the period January 1st, 1986 to March 31st, 1987. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion these Financial Statements present fairly the financial position of the Watershed as at March 31st, 1987 and the results of it's operations for the 15 months then ended in accordance with generally accepted accounting primciples applied on a basis consistent with that of the preceding year.

F.D. ZAPLITNY,
Chartered Accountant

DAUPHIN, Manitoba
August 6th, 1987

EXHIBIT "A"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

BALANCE SHEET
As at March 31st, 1987 and December 31st, 1985

	1987	1985
ASSETS		
Current Assets -		
Cash on Hand and In Bank	$	37,660
Short Term Investments	31,500	
Accounts Receivable	52,456	99,250
Prepaid Expense	999	
Total Current Assets	84,955	136,910
Fixed Assets, at Book Value	4,281	10,255
Total	$ 89,236	147,165
LIABILITIES		
Current Liabilities -		
Bank Overdraft	$ 8,685	
Accounts Payable	18,741	110,980
Total Current Liabilities	27,426	110,980
Watershed Accounts -		
Sub-District Program Account - Exhibit "B"	1,658	1,658
General Board Program - Exhibit "C"	1,779	12,283
Emergency Reserve Account - Exhibit "D"	52,980	16,789
Equipment Account - Exhibit "F"	(108)	(832)
Soil Management Account - Exhibit "G"	5,501	6,287
	61,810	36,185
Total	$ 89,236	147,165

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "B"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

STATEMENT OF SUB-DISTRICT PROGRAM ACCOUNT REVENUE AND EXPENDITURE

For the Periods Ended March 31st, 1987 and December 31st, 1985

		Sub - District 44	Sub - District 45	Sub - District 46	1987 Totals 15 Months	1985 Totals 12 Months
Revenue -						
Municipal Levies	$					16,750
Municipal Grants			43,732		43,732	54,302
Province of Manitoba Allocated Grant			113,552		113,552	183,385
			157,284		157,284	254,437
Expenditures -						
Channel Maintenance						50,740
Channel Improvements						13,540
Channel Construction			157,284		157,284	125,365
Structures & Culverts						54,345
			157,284		157,284	243,990
Revenue Over Expenditures		NIL	NIL	NIL	NIL	10,447
Add - Opening Balance		95	(3,230)	4,793	1,658	(8,789)
Closing Balance	$	95	(3,230)	4,793	1,658	1,658

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "C"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

STATEMENT OF GENERAL BOARD PROGRAM ACCOUNT
REVENUE AND EXPENDITURE
For the Periods Ended March 31st, 1987 and December 31st, 1985

	1987 15 Months	1985 12 Months
Revenue -		
Municipal Levies	$ 83,302	48,988
Province of Manitoba Allocated Grant	312,663	235,806
Interest Earned	10,390	1,272
Farmer Assistance	36,952	9,110
Miscellaneous	5,423	86
Donations		6,000
Municipal Grants	25,462	20,607
Habitat Heritage Grant	1,500	
PFRA Contract	12,500	
PFRA Land Grant	16,000	
Flood Assistance Revenue	179,328	
	683,520	321,869
Expenditures -		
Administration	14,268	11,198
Remuneration	18,833	7,901
Wages and Benefits	50,886	50,108
Rent	1,500	1,150
Public Education	4,281	3,514
Forage Assistance	96,121	37,340
Career Start and Miscellaneous	5,446	
Staff Expenses	5,713	3,851
Miscellaneous Bridge and Culvert Repairs	172,323	88,425
Outstanding Right of Way Payments		77
Brushing and Spraying	5,162	29,471
Crossing Replacement	46,046	77,890
Dump Levelling and Seeding		4,378
Land Purchase	21,500	
PFRA Contract	12,500	
Flood Repairs	199,254	
	653,833	315,303
Revenue Over (Under) Expenditures - forward	$ 29,687	6,566

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "C"
CONT'D

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

STATEMENT OF GENERAL BOARD PROGRAM ACCOUNT
REVENUE AND EXPENDITURE
For the Periods Ended March 31st, 1987 and December 31st, 1985

	1987 15 Months	1985 12 Months
Revenue Over (Under) Expenditures - forward	$ 29,687	6,566
Transfer to Emergency Reserve		3,000
Transfer to Land Development Reserve	16,000	
Transfer to Flood Projection Reserve	18,191	
Transfer to Equipment Reserve	2,000	
Loss on Sale of Asset	4,000	
	40,191	3,000
Revenue Over (Under) Expenditures	(10,504)	3,566
Add - Opening Balance	12,283	8,717
Closing Balance	$ 1,779	12,283

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "D"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

STATEMENT OF EMERGENCY RESERVE ACCOUNT
For the Periods Ended March 31st, 1987 and December 31st, 1985

		1987 15 Months	1985 12 Months
Amount at Opening	$	16,789	13,789
Transfer from General Board			
Program Account -			
General			3,000
Flood Protection		18,191	
Equipment		2,000	
Land Development		16,000	
Amount at Closing	$	52,980	16,789

EXHIBIT "E"

STATEMENT OF PROVINCE OF MANITOBA GRANT ACCOUNT
For the Periods Ended March 31st, 1987 and December 31st, 1985

Grant Received	$	426,215	419,191
Less -			
Allocations to Watershed Programs:			
Sub-District Program		312,663	183,385
General Board Program		113,552	235,806
	$	NIL	NIL

EXHIBIT "F"

STATEMENT OF EQUIPMENT ACCOUNT REVENUE AND EXPENDITURE
For the Periods Ended March 31st, 1987 and December 31st, 1985

Equipment Revenue	$	1,242	203
Expenses -			
Depreciation		518	695
Revenue Over (Under) Expenditures		724	(492)
Amount at Opening		(832)	(340)
Amount at Closing		(108)	(832)

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "G"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

SOIL MANAGEMENT PROJECT - REVENUE AND EXPENDITURES
For the Periods Ended March 31st, 1987 and December 31st, 1985

	Government Of Canada	Province Of Manitoba	Total 1987 15 Months	Total 1985 12 Months
Revenue -				
Grants Received	$ 54,209	7,969	62,178	13,420
Expenses -				
Administration	482	5,020	5,502	1,031
Extension	1,938	6,932	8,870	
Field Demonstration	10,462		10,462	4,185
Equipment	2,800		2,800	1,917
Producer Incentives	34,330		34,330	
	50,012	11,952	61,964	7,133
Transfer to Drill Repair Reserve	1,000		1,000	
	51,012	11,952	62,964	7,133
Revenue Over (Under) Expenditure	3,197	(3,983)	(786)	6,287
Amount at Opening	2,297	3,990	6,287	
Amount at Closing	$ 5,494	7	5,501	6,287

(The accompanying notes are an integral part of these financial statements)

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
March 31st, 1987

1. The Conservation District has changes it's Fiscal Year-End from December 31st, to March 31st. The Transaction was accomplished by producing a 15 Month accounting period which dated from January 1st, 1986 to March 31st, 1987. All Revenue and Expenditure items under the heading 1987 are for this 15 month period. Municipal Grants which are paid on a calender year have been accrued up to March 31st, 1987.

2. Accounts Receivable of the District are made up of the following:

	1987	1985
Municipal Grants and Levies	$ 15,818	74,909
Conservation District Authority	2,500	24,341
Other	34,138	
Total	$ 52,456	99,250

3. Fixed Assets of the District are normally recorded at cost. The exception to this policy is those assets purchased under the Federal - Provincial Soil Management Project. Because those assets are not subject to depreciation, they are expenses in the year of purchase.

Depreciation on District assets purchased in the normal course of affairs is provided as follows:

Office Equipment	15% Straight Line
Field Equipment	20% Straight Line
Fencer	25% Straight Line
Fence	5% Straight Line

	1987			1985
	Cost	Accumulated Depreciation	Book Value	Book Value
Office Equipment	$ 813	772	41	194
Field Equipment	472	447	25	5,542
Fencer	99	99	NIL	NIL
Fence	4,863	648	4,215	4,519
Total	$ 6,247	1,966	4,281	10,255

4. Accounts Payable of the District are made up as follows:

	1987	1985
Workers Compensation	$	122
Conservation District Authority		109,777
Trade	18,741	1,081
Total	$ 18,741	110,980

THE UNIVERSITIES GRANTS COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Universities Grants Commission for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Universities Grants Commission as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

J. W. Singleton, CA,
Assistant Provincial Auditor.

July 17, 1987,
Winnipeg, Manitoba.

Exhibit A

THE UNIVERSITIES GRANTS COMMISSION

Balance Sheet
as at March 31, 1987
(with 1986 figures for comparison)

	1987	1986
A S S E T S		
Cash on hand and in bank	$ 89,232	$ 290,705
Grants receivable from the Government of the Province of Manitoba	148,923	2,408,105
Amount recoverable from the Government of the Province of Manitoba	11,655	17,471
	$ 249,810	$ 2,716,281
L I A B I L I T I E S		
Accounts payable:		
Grants	$ 148,923	$ 2,624,301
Other	4,034	8,170
	152,957	2,632,471
The Universities Grants Fund (Note 1):		
Balance, beginning of year	83,810	235,964
Revenues over (under) expenditures, Exhibit B	13,043	(152,154)
Balance, end of year	96,853	83,810
	$ 249,810	$ 2,716,281

Exhibit B

THE UNIVERSITIES GRANTS COMMISSION

Statement of Operating Revenues and Expenditures
for the year ended March 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenues:		
Government of the Province of Manitoba grants:		
Revenue appropriation:		
Department of Education	$ 166,220,475	$ 163,149,280
Department of Highways and Transportation (Note 2)	2,386,899	3,562,801
Department of Culture, Heritage and Recreation	-	40,000
Government of Canada grants:		
Department of Transport (Note 2)	2,250,000	-
	170,857,374	166,752,081
Interest income	17,364	15,403
Total revenues	170,874,738	166,767,484
Expenditures:		
Operating grants (Note 1):		
The University of Manitoba	132,116,903	128,416,196
The University of Winnipeg	18,017,240	17,150,250
Brandon University	11,854,218	11,094,806
St. Boniface College	3,093,699	2,842,280
	165,082,060	159,503,532
Major capital project grants (Note 1):		
The University of Manitoba	4,636,899	6,411,447
Brandon University	9,056	-
St. Boniface College	65,000	-
	4,710,955	6,411,447
Support programs:		
Computer Network	407,294	379,329
Recoveries from the Department of Education	69,930	69,886
	337,364	309,443
Inter-Universities program in Northern Manitoba	406,286	390,660
	743,650	700,103
Administrative and other, Schedule 1	325,030	304,556
Total expenditures	170,861,695	166,919,638
Revenues over (under) expenditures, Exhibit A	$ 13,043	$ (152,154)

Schedule 1

THE UNIVERSITIES GRANTS COMMISSION

Schedule of Administrative and Other Expenditures for the year ended March 31, 1987 (with 1986 figures for comparison)

	1987	1986
Automobile and travelling	$ 7,072	$ 12,141
Course and membership fees	1,089	13,435
Furniture and equipment	5,109	8,199
Office rental	30,825	30,410
Postage and telephone	4,875	4,880
Printing and stationery supplies	4,693	7,752
Professional fees	51,204	18,759
Remuneration of Commission members	17,087	12,507
Salaries and employee benefits	199,668	193,801
Subscriptions	1,832	1,063
Sundry	1,576	1,609
Total administrative and other expenditures, Exhibit B	$ 325,030	$ 304,556

THE UNIVERSITIES GRANTS COMMISSION

Notes to Financial Statements for the year ended March 31, 1987

1. Accounting Policies

The Universities Grants Commission's annual financial statements are prepared using the accrual basis of accounting except for interest on cash balances, expenditures on leasehold improvements and equipment purchases, and pension payments. Interest on cash balances is taken into account in the year that it is received. Leasehold improvements and equipment purchases are charged to expenditures in the year of acquisition. Pension payments are charged to expenditures as the payments are made under the provisions of the Manitoba Civil Service Superannuation Act.

Operating and capital grants to the Universities reflect expenditures to the Universities for their annual operations and approved capital projects. Annual operating grants are paid on a scheduled basis to meet the Universities' operating requirements; capital grants are paid after expenditures have been incurred and claimed.

In accordance with the provisions of the Civil Service Superannuation Act, the Commission contributes 50% of the pension payments made to retired employees. A provision is not made in the accounts to fund current or past service obligations of the Commission to the Civil Service Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $161,378 as at December 31, 1986 (1985 - $144,662).

2. Commitments

The Commission has approved funding for the capital project listed below:

	Approved	Expended	Outstanding Commitments
University of Manitoba Administrative Studies and Transportation Institute Building	$ 10,800,000	$ 8,549,978	$ 2,250,022

Funding for the Administrative Studies and Transportation Institute Building is made through the Department of Highways and Transportation under a shared cost agreement with the Government of Canada. The Universities Grants Commission requests the funds from the Department of Highways and Transportation on behalf of the University of Manitoba. During the current year the Commission received the Government of Canada contribution directly from the Federal Department of Transport. In the previous year the Federal Department of Transport contribution of $1,325,000 was paid to the provincial Department of Highways and Transportation and included in their grant to the Commission.

The outstanding commitments regarding this project are covered by the Annual Appropriation Act which authorizes future commitments.

Manitoba

THE UNIVERSITY OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A to C and Schedules 1 to 31, of The University of Manitoba for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The University of Manitoba as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, CA,
Provincial Auditor.

June 24, 1987,
Winnipeg, Manitoba.

STATEMENTS

The University of Manitoba
Comparative Statement of Financial Position
as at March 31, 1987 and March 31, 1986

Statement A

Assets

	1987	*1986*	
Cash and Bank, Less Outstanding Cheques	$ 2,887,207	$ 348,683	(1)
Marketable Investments for General Purposes (Note 1j)	14,448,162	16,623,064	(2)
Receivable from the Universities Grants Commission		2,460,935	(3)
Accounts Receivable:			
General	6,771,529	5,165,731	(4)
Research and Special	8,354,632	8,557,368	
Inventories (Note 1k)	2,146,126	2,393,634	(5)
Prepaid Expenditures	11,753	15,671	
Discount on Debentures	467,000	467,000	
	35,086,409	36,032,086	
Investments Held for Specific Purposes (Note 1j)	21,185,136	17,374,457	(2)
Funds on Deposit with The Great-West Life Assurance Company for Staff Benefits	11,907,055	9,637,056	
Investment in Subsidiary Company (Note 5)	77,222		
Fixed Assets: (Notes 1l and 2)			
Buildings and Sites	33,081,964	32,405,496	(6)
Equipment and Furnishings	115,616,721	107,925,921	
Library Holdings	31,073,958	28,814,838	
Construction in Progress	13,075,008	4,713,083	(7)
	192,847,651	173,859,338	
	$261,103,473	$236,902,937	

Liabilities and Fund Balances

	1987	*1986*	
Accounts Payable	$ 13,837,933	$ 13,098,293	(8)
Demand Loan (Note 7)	2,615,000		
Deferred Income	226,360	613,893	(9)
Lease Obligations (Note 1l)	48,516		
	16,727,809	13,712,186	
Province of Manitoba — Capital Advance	4,080,196	4,268,735	
— Special Advance	1,825,000		
	5,905,196	4,268,735	
Debentures Payable: Guaranteed by the Province of Manitoba	12,984,668	13,135,524	(10)
Less: Assets on Deposit with the Province of Manitoba for Retirement of Debentures			
Cash	5,151,015	3,717,807	
Investments (Note 1j)	7,126,752	7,359,966	(2)
	706,901	2,057,751	
Fund Balances:			
General Fund:			
General Operating (Note 1d)	409,996	387,031	
Research and Special (Note 1e)	18,403,579	18,163,288	(11)
Specific Provisions (Note 1f)	4,235,292	3,309,910	(12)
Capital Purpose (Notes 1g and 3)	(8,869)	(148,803)	(13)
	23,039,998	21,711,426	
Staff Benefits (Note 1h)	11,907,055	9,637,056	(14)
Trust and Endowment (Note 1i)	20,518,141	17,515,934	(15)
	55,465,194	48,864,416	
Equity in Subsidiary Company (Note 5)	77,222		
Investment in Fixed Assets (Notes 1l and 2)	182,221,151	167,999,849	
	$261,103,473	$236,902,937	

APPROVED BY THE BOARD OF GOVERNORS

AM Runciman

A. M. Runciman — Chair of the Board of Governors

David G. Malaher

D. Malaher — Vice-Chair of the Board of Governors

(The Accompanying Notes and Schedules form an integral part of the Financial Statements.
(Schedule References are in Parentheses)

Comparative Statement of Changes in Fund Balances
for the years ended March 31, 1987 and March 31, 1986

Statement B

	General Fund			
	General Operating Fund Account (Note 1d)	*Research and Special Fund Account (Note 1e)*	*Specific Provisions Fund Account (Note 1f)*	*Capital Purpose Fund Account (Note 1g & 3)*
Revenues and Other Additions:				
Tuition and Related Fees	$ 22,070,975	$	$	$
Contributions, Donations, Non-Government Grants and Loan Financing	64,080	15,452,288		3,147,236
Investments	2,862,402			
Overhead Recovery	12,756			
Special Projects	56,256			
Miscellaneous	103,717			
Province of Manitoba – Special Funding (Note 8)	3,642,824			
Government Grants:				
Universities Grants Commission	131,995,732			4,636,899
Other		38,063,101		9,518
Ancillary Enterprises	19,346,153			
	180,154,895	53,515,389		7,793,653
Expenditures and Other Deductions:				
Academic	108,842,499	50,634,862		
Other Academic	8,247,683	932,354		
Libraries	8,758,483	193,428		
Student Services	2,226,362	366,404		
Administration	8,222,822	201,918		
Plant Maintenance	21,339,914	1,987		
General	1,286,996	128,775		
Scholarships, Bursaries and Prizes	149,022	444,018		
Interest and Miscellaneous				
re: Debentures	783,485			
Capital Advance	432,209			
Appropriated for Retirement of Debentures and Capital Advance	1,388,472			
Ancillary Enterprises	18,604,139			
Capital Expenditures				9,047,911
	180,282,086	52,903,746		9,047,911
Inter-Fund Transfers	1,090,533	(386,347)		1,394,192
Net Revenues and Other Additions before Appropriations	963,342	225,296		139,934
Appropriated — Specific Provisions (Note 1f)	(940,377)	14,995	925,382	
Net Revenues and Other Additions	22,965	240,291	925,382	139,934
Balances Beginning of the Year	387,031	18,163,288	3,309,910	(148,803)
Balances End of the Year, Statement A	$ 409,996	$ 18,403,579	$ 4,235,292	$ (8,869)
		(11)	(12)	(13)

Staff Benefits Fund	*Trust and Endowment Fund*	*Total Funds 1987*	*Total Funds 1986*
(Note 1h)	*(Note 1i)*		
$	$	$ 22,070,975	$ 21,179,364
1,807,384	3,544,097	24,015,085	17,749,043
1,388,332	2,001,357	6,252,[illegible]	6,093,029
		12,75[illegible]	117,485
		56,256	58,785
	123,148	226,865	174,737
		3,642,824	
		136,632,631	134,606,291
		38,072,619	38,480,773
		19,346,153	17,752,567
3,195,716	5,668,602	250,328,255	236,212,074
		159,477,361	152,799,725
		9,180,037	8,693,042
		8,951,911	9,425,799
		2,592,766	2,672,005
		8,424,740	8,242,150
		21,341,901	18,548,638
982,200	153,280	2,551,251	3,007,792
	326,454	919,494	816,861
		783,485	792,569
		432,209	449,544
	31,800	1,420,272	1,130,103
		18,604,139	17,152,741
		9,047,911	7,308,801
982,200	511,534	243,727,477	231,039,770
56,483	(2,154,861)		
2,269,999	3,002,207	6,600,778	5,172,304
2,269,999	3,002,207	6,600,778	5,172,304
9,637,056	17,515,934	48,864,416	43,692,112
$ 11,907,055	$ 20,518,141	$ 55,465,194	$ 48,864,416
(14)	(15)		

(The Accompanying Notes and Schedules form an integral part of the Financial Statements.

(Schedule references are in parenthesis)

Comparative Statement of University Investment in Fixed Assets for the years ended March 31, 1987 and March 31, 1986

Statement C

	1987	*1986*
Additions:		
Fixed Assets, Net of Disposals	$ 12,681,974	$ 17,756,126
Principal Payments on Debt Retirement Net of Discount	150,856	143,027
Appropriated for Debt Retirement		
— Province of Manitoba Capital Advance	188,539	171,205
— University Sinking Fund	1,199,933	928,900
	14,221,302	18,999,258
Deductions:		
Fixed Assets Transferred to the Government of the Province of Manitoba (Note 11)		84,610,372
		84,610,372
Net Change in the Year	14,221,302	(65,611,114)
Balance Beginning of the Year	167,999,849	233,610,963
Balance, End of the Year, Statement A	$182,221,151	$167,999,849

(The Accompanying Notes and Schedules form an integral part of the Financial Statements.
(Schedule references are in Parenthesis)

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a. General

The financial statements have been prepared to conform with accounting principles for universities as described in the "Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada", published by the Canadian Association of University Business Officers.

b. Fund Accounting

The University classifies resources used for various purposes into separate Fund Accounts which correspond to its major activities and objectives. The Statement of Financial Position combines the assets and liabilities of all Funds.

The University maintains its accounts with specific assets and liabilities segregated into a General Fund, a Staff Benefits Fund and a Trust and Endowment Fund. The General Fund is further divided into Fund Accounts for General Operating, Research and Special Purposes, Specific Provisions, and Capital Purposes. The Staff Benefits Fund is further divided into Fund Accounts for Benefit Improvement and Maintenance, Self-Insured Income Disability Plan, Group Insurance Experience Refunds and Unemployment Insurance Commission Premium Saving.

c. Accrual Accounting

The accrual basis of accounting is utilized for additions to and deductions from fund balances except that no provision is made in the Financial Statements, for depreciation on plant assets, accrued vacation pay, or accrued interest on investments and debenture debt.

d. General Operating Fund Account

The General Operating Fund Account of the University includes the academic, administrative, operational and ancillary costs that are funded by fees, grants, ancillary income and other income. The net cost of operating units is determined by deducting cost recoveries that have been generated, from total expenditures.

All funds received or accrued by the University for general operating purposes, for the interest portion of debenture financing, and for miscellaneous capital expenditures are shown in the General Operating Fund Account. Funds received for the principal portion of debenture payments applicable to debt retirement are shown in the Statement of University Investment in Fixed Assets.

The University bookstore, food services, student residences and parking are classified as Ancillary Enterprises and are budgeted on a break-even basis. Any surpluses or deficits are included in the General Operating Fund Account. Overhead costs have been allocated to all ancillary operations. The replacement or improvement of fixed assets for these ancillaries is funded by an annual appropriation to a Specific Provisions Fund Account.

e. Research and Special Fund Account

The Research and Special Fund Account consists of funds specifically identified for research or related special activities. These funds are provided from both federal and provincial granting agencies and other public and private sources.

f. Specific Provisions Fund Account

The Specific Provision Fund Account records appropriations made from (to) the General Operating Fund Account.

These appropriations are to guarantee future funding for the replacement or improvement of fixed assets, or other designated University programs. Such appropriations are shown on the Statement of Changes in Fund Balances.

g. Capital Purpose Fund Account

The Capital Purpose Fund consists of grants, gifts, interest and authorized capital borrowings, received and expended for the purpose of acquiring capital assets.

h. Staff Benefits Fund

Benefit Improvement and Maintenance:

This Fund Account is used for special payments towards any unfunded liability of the University of Manitoba Pension Plan (1970), staff benefit improvements and for other uses at the discretion of the Board of Governors after consultation with the Staff Benefits Committee. Funds received from the Great-West Life Assurance Company as experience refunds relating to the University's former pension plan are credited to this Fund Account.

Self-Insured Income Disability Plan:

This Fund Account is used for long-term disability benefit payments arising on or after June 1, 1981, for eligible staff. Subject to reserve amounts established on the basis of actuarial reviews, this Fund Account may be used at the discretion of the Board of Governors of the University.

An actuarial valuation of the plan as of March 31, 1986, completed during 1986 showed a deficit of $644,832. An actuarial valuation as of March 31, 1985 showed a deficit of $222,225.

Group Insurance Experience Refunds:

This Fund Account is used for the support of current and future staff benefit programs, as determined by the Board of Governors following consultation with the Staff Benefits Committee. Experience refunds from The Great-West Life Assurance Company related to the group insurance plans, are credited to this Fund Account.

Unemployment Insurance Commission
Premium Saving:

This fund account is used for support for the current and future staff benefit programs as determined by the Board of Governors following consultation with the Staff Benefits Committee. The premium reduction is credited to this fund account. It is available as a direct result of the extended sick leave coverage provided by the University.

i. Trust and Endowment Fund

The Trust and Endowment Fund consists of gifts and bequests received with the stipulation that these funds be invested and the income earned be utilized for designated purposes.

The University may authorize expenditures for certain programs from the General Operating Fund Account and guarantee funding from the Trust and Endowment Fund.

As a result, a transfer from the Trust and Endowment Fund for such expenditures may be made at the end of the fiscal year.

j. **Investments**

All funds available to the University are invested when it is practical to do so.

i) Short-Term Investments —
Investments falling into this classification are reported at cost.

ii) Long-Term Investments —
Investments falling into this classification are reported at cost or amortized cost, as appropriate. Bonds acquired at a premium or discount of up to one point are amortized to par at date of acquisition. Amortization of other bond premiums and discounts is calculated on a straight line basis over the life of the bond.

Gains or losses from investments are recorded as trading transactions in the year of disposal, except in the case of the reinvestment of the proceeds from the sale in a bond issue. In this case, the University carries forward any gain or loss in excess of one point for amortization over the term of the newly acquired bond.

Except where there are specific provisions to the contrary, endowment and trust funds are pooled and invested in the University Investment Trust. Investment income is distributed on a pro rata basis to each participating fund annually at March 31.

The market value of investments is disclosed as supplementary information only. Market values are not used in the determination of investment income.

k. **Inventories**

Inventories have been valued at the lower of cost or replacement cost.

l. **Capitalization**

Expenditures on land, buildings, construction in progress, furnishings, equipment and library holdings are reflected through the Comparative Statement of Changes in Fund Balances, Statement B, in the year of payment.

Equipment purchased by lease financing is capitalized as a fixed asset in the first year of the lease with an offsetting credit to Lease Obligations. Expenditures against lease financing are shown as operating expenditures in the year of payment with the principal portion being credited to Investment in Fixed Assets.

Library holdings are capitalized at March 31, 1987 based on an evaluation determined as the sum of the following:

1. The volumes on hand at March 31, 1968 at an average price of net volumes added during 1968/69.
2. Total acquisition expenditures from April 1, 1968 to March 31, 1987.
3. A deduction for the value of volumes withdrawn at the weighted average price of volumes added from April 1, 1968 to March 31, 1975.
4. The current value of manuscripts and rare books.

The remaining fixed assets are capitalized at cost, except for furnishings and equipment items purchased prior to April 1, 1975, which are capitalized at appraised values.

Durng the previous fiscal year the University of Manitoba conveyed its interest in certain lands and buildings to the Government of the Province of Manitoba and subsequently leased back from the Government of the Province of Manitoba the same lands and buildings. Any expenditures incurred on these buildings are not being capitalized by the University.

m. **Pension Costs**

The allocation of pension costs is based on the contribution required of the University under the University of Manitoba Pension Plans.

2. **Contractual Commitments**

Contractual commitments relating to construction in progress amount to $1,110,805 (1986, $4,465,263.) and are to be funded by the Universities Grants Commission and the University's Development Fund Campaign.

3. **Capital Purpose Fund**

The negative balance of $8,869 (1986, $148,303.) in the Capital Purpose Fund Account represents new building construction costs incurred in excess of contributions received to March 31, 1987. The funding for these costs will be met from future contributions from the University of Manitoba Students' Union, the surcharge for capital purposes charged to users of the University's recreation facilities and the University's Development Fund Campaign.

4. **Pension Plans**

The University of Manitoba administers the University of Manitoba Pension Plan (1970) and the University of Manitoba GFT Pension Plan (1986) under the terms of an agreement with the University of Manitoba Pension Plan Trustees. The Trustees are responsible for the custody of the Plan's assets and issuance of annual financial statements, which do not form part of the University's financial statements.

University of Manitoba Pension Plan (1970):

The University matches the regular pension contributions made by employees to the University of Manitoba Pension Plan (1970). These contribtuions together with the investment income earned on the contributions are applied on retirement to provide an annuity referred to as a money purchase pension. The plan guarantees a minimum pension based on an approved formula encompassing the average of the members best five years basic salary and years of service. The the extent that a member's money purchase pension is less than the guaranteed amount, the member will receive a supplementary pension, funded by the University from the Staff Benefit's fund, in accordance with the requirements of the regulations under the Pension Benefits Act of Manitoba, to increase the pension to the required level.

An actual valuation of the University of Manitoba Pension Plan (1970) was completed during 1986 as of December 31, 1985. The valuation reported that the plan based on then current provisions was fully funded with no requirement for special payments.

University of Manitoba GFT Pension Plan (1986):

Effective January 1, 1986 the University established the GFT Pension Plan (1986) for geographical full-time staff of the Faculty of Medicine. Only the University contributes to the plan and the contributions and interest earned are applied on retirement to provide a money purchase pension.

The University's cost of contributions to the Plans for the 1986-87 fiscal year is $6,645,464.

5. Investment in Subsidiary Companies

University of Manitoba Research Ltd., incorporated under the Manitoba Corporations Act, is a wholly-owned subsidiary of the University. The mandate of the company is as follows:

> To provide a convenient mechanism for co-operation between University researchers and the external community.
>
> To provide a broader base for the development of University contract research and services for the community.
>
> To protect and to capitalize on the University of Manitoba's investmet in its intellectual property.
>
> To provide a source of income to further University of Manitoba research.
>
> To promote the exploitation of University innovations through licensing and/or production activities.

The University of Manitoba Research and Development Corporation, a wholly-owned subsidiary of University of Manitoba Research Ltd., is inactive.

The University accounts for its investment in accordance with a modification of the equity method by which investments in, and only dividends received or receivable are recorded and reflected in the Statement of Changes in Fund Balances.

The investment and related equity account are summarized as follows:

	1986/87
Investment Account	
— Shares purchased	$ 200
— Contributed Surplus	100,000
— UMR Ltd. net operating deficit	(22,978)
Current value of investment in shares	$ 77,222
Equity Account	
— Balance — UMR Ltd.	$ 77,222

6. Loan Guarantee

The University of Manitoba under a letter of Guarantee issued to the Canadian Imperial Bank of Commerce undertook to see that a loan made to the University of Manitoba Faculty Club will be repaid by the Faculty Club within a specified time period. The outstanding balance of this loan as at March 31, 1987 is $65,500 (1986, $83,500).

7. Demand Loan

Pursuant to the University of Manitoba Act, the Government of the Province of Manitoba by order of the Lieutenant Governor-in-Council number 1177/85 authorized the University of Manitoba to borrow funds for bridge financing of the Management/Transport Institute Building up to a maximum of $3,000,000.

At March 31, 1987 $2,615,000 had been borrowed from the Bank of Nova Scotia. Repayment is to be made from future contributions to the University's Development Fund Campaign.

8. Special Equipment Replacement and Reclamation Projects

Pursuant to the provisions of "The Loan Act, 1986(2)" and "The Financial Administration Act" the Minister of Finance of the Government of the Province of Manitoba is authorized, by Order-in-Council number 1234/86, to borrow an amount that will realize $10,000,000 through the issue and sale of treasury bills of the Province of Manitoba. The amount raised by the issue and sale of the treasury bills is to be expended for the purpose of making advances to the University of Manitoba as and when required.

The advances are provided as the University expends funds on special equipment purchases and reclamation projects. At March 31, 1987 $3,642,824 had been advanced or was receivable from the Government of the Province of Manitoba.

9. Litigation

The University of Manitoba is named as a defendant in litigation where action has commenced or is anticipated. The University's solicitors have reported that there are no significant contingent liabilities arising from these actions.

10. Property Taxes

Property taxes are not shown in the accounts of the University, as The University of Manitoba Act provides that such property is not subject to taxation. The Government of the Province of Manitoba provides the City of Winnipeg and other municipalities with grants in lieu of taxes.

11. Pledges Receivable

The estimated realizable value of pledges outstanding at March 31, 1987 from the University's Development Fund Campaign is $7,071,317 (1986, $2,465,040.) These pledges are expected to be honored during the subsequent 10 year period.

12. Comparative Information

Comparative figures for the year ended March 31, 1986, have been restated where necessary to conform with the presentation adopted for March 31, 1987.

SCHEDULES

Schedule 1 **Cash and Bank, Less Outstanding Cheques**

	March 31, 1987	*March 31, 1986*
General Account:		
Cash on Hand	$ 46,409	$ 39,636
The Scotiabank — General Accounts	1,873,657	(189,517)
The Scotiabank — Debenture Coupons Account	692	1,895
The Canadian Imperial Bank of Commerce — Holdback Accounts	543,653	258,997
	2,464,411	111,011
Trust Account:		
Cash on Hand	1,323	1,325
The Royal Bank of Canada	421,473	231,661
The Canadian Imperial Bank of Commerce — Capital Fund Campaign Account		4,686
Statement A	$ 2,887,207	$ 348,683

Schedule 2 **Investments**

	Par Value	*Market Value*	*March 31, 1987 Book Value*	*March 31, 1986 Book Value*
Bonds and Debentures:				
Government of Canada	$ 4,895,500	$ 5,448,310	$ 4,897,231	$ 4,889,094
Provincial:				
Province of Manitoba	582,000	590,206	547,454	547,454
Other	3,303,000	3,475,677	3,300,812	2,577,500
Provincial Guaranteed:				
Province of Manitoba	8,186,000	7,661,257	6,205,685	6,999,675
Other	2,456,000	2,793,358	2,456,000	2,618,837
Municipal	186,000	197,071	186,000	190,000
Other	1,642,075	1,662,861	1,641,206	1,809,706
	21,250,575	21,828,740	19,234,388	19,632,266
Savings Certificates, Term Deposits and Treasury Bills	23,577,500	23,578,027	23,525,662	21,725,221
Total Investments	$44,828,075	$45,406,767	$42,760,050	$41,357,487
Held For:				
General Purposes, Statement A	$14,500,000	$14,500,000	$14,448,162	$16,623,064
Specific Purposes, Statement A	21,180,075	22,275,391	21,185,136	17,374,457
Retirement of Debentures, Statement A	9,148,000	8,631,376	7,126,752	7,359,966
	$44,828,075	$45,406,767	$42,760,050	$41,357,487

Schedule 3 **Receivable from the Universities Grants Commission**	*March 31, 1987*	*March 31, 1986*
Major Capital Projects		$ 1,852,777
Miscellaneous Capital		388,158
Operating		220,000
Statement A		$ 2,460,935

Schedule 4 **Accounts Receivable — General**		
Special Capital Projects	$ 339,373	$ 209,945
Loans to Students and Staff	113,263	119,013
Government Agencies and Hospitals	3,996,659	3,181,746
Book Store Receivables	227,263	112,585
Accountable Advances	78,978	121,468
Payroll Recoveries	52,837	45,680
Miscellaneous	1,963,156	1,375,294
Statement A	$ 6,771,529	$ 5,165,731

Schedule 5 **Inventories**		
Ancillary Enterprises:		
Book Store	$ 1,704,222	$ 1,950,465
Food Services	182,576	177,260
Stores	139,631	155,869
Departmental:		
Commercial Dairy	13,420	9,856
Printing and Publication Services	28,592	22,927
U of M Press	77,685	77,257
Statement A	$ 2,146,126	$ 2,393,634

Schedule 6 **Capital Expenditure on Buildings and Sites**	*March 31, 1987*	*March 31, 1986*
Agriculture Buildings	$ 78,087	$ 78,087
Arts Buildings	57,532	57,532
Science Buildings	94,666	94,666
Architecture Building	86,836	86,836
Physical Education Buildings	7,722,878	7,717,884
Bison Building	53,838	53,838
University Centre Building	7,333,079	6,661,605
Dentistry Building (Including Land)	2,624,260	2,624,260
Medicine Buildings (Including Land)	13,655,526	13,655,526
Glenlea Research Station (Including Land)	985,961	985,961
Other Buildings	389,301	389,301
Statement A	$ 33,081,964	$ 32,405,496

Schedule 7 **Construction in Progress**		
Management/Transport Institute Building	$ 13,075,008	$ 4,713,083
Statement A	$ 13,075,008	$ 4,713,083

Schedule 8 Accounts Payable

	March 31, 1987	*March 31, 1986*
General	$ 6,562,115	$ 7,466,777
Payroll Liabilities	5,463,545	4,287,205
Capital Projects	1,502,549	1,036,817
Province of Manitoba		
— Health and Post Secondary Education Tax Levy	211,537	189,962
— Sales Tax	98,187	117,532
Statement A	$ 13,837,933	$ 13,098,293

Schedule 9 Deferred Income

Government of Canada Grant	$ 138,174	$ 525,485
Province of Manitoba Grant	27,037	10
Other Grant Advances	3,204	22,011
Insurance Claims and Miscellaneous	57,945	66,387
Statement A	$ 226,360	$ 613,893

Schedule 10 Debentures Outstanding

	Principal Outstanding	
	March 31, 1987	*March 31, 1986*
Guaranteed as to Principal and Interest by the Government of the Province of Manitoba:		
Debentures:		
5⅝% Series 1H Due October 15, 1987	$ 2,500,000	$ 2,500,000
5⅛% Series 1L Due June 1, and December 1, 1987-1994	411,891	452,618
5⅛% Series 1N Due June 1, and December 1, 1987-1994	577,777	634,906
5½% Series 1P Due December 15, 1995	3,000,000	3,000,000
5¾% Series 1Q Due February 15, 1992	5,000,000	5,000,000
7½% Series 1R Due April 15, 1987-2001	1,495,000	1,548,000
Statement A	$ 12,984,668	$ 13,135,524

Schedule 11 **Changes to Research and Special Fund Accounts for the Years ended March 31, 1987 and March 31, 1986**

	Balance March 31, 1986	*Additions*	*Deductions*	*Inter-Fund Transfers*	*Specific Provisions*	*Balance March 31, 1987*
Sponsored or Assisted Research:						
Government of Canada:						
Social Sciences and Humanities Research Council	$ 400,265	$ 794,626	$ 734,148	$	$	$ 460,743
Medical Research Council	998,105	8,092,889	7,990,159	845		1,101,680
Miscellaneous	2,135,578	4,347,224	4,069,265	(393,041)		2,020,496
National Health and Welfare	219,523	1,540,699	1,573,202			187,020
Natural Sciences and Engineering Research Council	2,541,655	6,994,251	7,217,775		8,229	2,326,360
	6,295,126	21,769,689	21,584,549	(392,196)	8,229	6,096,299
Province of Manitoba:						
Agriculture	154,949	868,734	862,352		6,766	168,097
Health Research Council	457,243	1,272,704	1,340,502			389,445
Miscellaneous	710,226	1,966,848	2,090,657	(14,236)		572,181
	1,322,418	4,108,286	4,293,511	(14,236)	6,766	1,129,723
Business and Industry	830,729	853,988	905,261	(29,837)		749,619
Foundations, Associations, Etc.	1,936,327	4,332,675	4,146,734	51,294		2,173,562
Individuals, Etc.	596,981	316,689	677,974	305,382		541,078
Manitoba Heart Foundation	435,642	1,447,917	1,334,349			549,210
National Cancer Institute of Canada	28,386	1,227,854	1,227,464			28,776
Special Projects	244,244	188,146	182,768	27,299		276,921
United States	526,180	1,598,737	1,095,582	(159,466)		869,869
	4,598,489	9,966,006	9,570,132	194,672		5,189,035
Sub-Total	12,216,033	35,843,981	35,448,192	(211,760)	14,995	12,415,057

Schedule 11 **Changes to Research and Special Fund Account for the years ended March 31, 1987 and March 31, 1986**

	Balance March 31, 1986	*Additions*	*Deductions*	*Inter-Fund Transfers*	*Specific Provisions*	*Balance March 31, 1987*
Special Funds:						
Government of Canada	$ 1,179,941	$ 4,677,577	$ 4,862,154	$ (161,240)	$	$ 834,124
	1,179,941	4,677,577	4,862,154	(161,240)		834,124
Province of Manitoba:						
Agriculture	(1,886)	218,488	214,312			2,290
Miscellaneous	(27,298)	7,289,061	7,161,535	(54,824)		45,404
	(29,184)	7,507,549	7,375,847	(54,824)		47,694
Business and Industry	40,536	312,639	294,279			58,896
Foundations, Associations, Etc.	330,118	681,666	610,921	(17,409)		383,454
Individuals, Etc.	3,012,937	2,950,092	2,764,206	57,886		3,256,709
Special Projects	716,969	1,056,651	1,104,129	1,000		670,491
	4,100,560	5,001,048	4,773,535	41,477		4,369,550
Subtotal	5,251,317	17,186,174	17,011,536	(174,587)		5,251,368
Scholarships, Bursaries and Prizes	25,430	445,264	444,018			26,676
	17,492,780	53,475,419	52,903,746	(386,347)	14,995	17,693,101
Disbursements Pending Receipt of Funds to Cover	670,508	39,970				710,478
		$53,515,389	$52,903,746	$ (386,347)	$ 14,995	
Balance End of the Year, Statement B	$18,163,288					$18,403,579

Schedule 12 Changes to Specific Provisions Fund Account
for the years ended March 31, 1987 and March 31, 1986

	Ancillary Furniture and Equipment Replacement	*Parking Lot Improvements*	*Copier and Word Processor Replacement*	*Vehicle and Other Equipment Replacement*	*Printing Services Equipment Replacement*
Provided From:					
General Operating	$	$	$ 221,639	$ 50,901	$ 28,029
Ancillary Enterprises	429,408	546,843			
	429,408	546,843	221,639	50,901	28,029
Applied To:					
General Operating			103,252	42,392	28,000
Ancillary Enterprises	249,397	10.413			
Research and Special					
	249,397	10,413	103,252	42,392	28,000
Net Change in the Year	180,011	536,430	118,387	8,509	29
Balance Beginning of the Year	175,062	1,040,562	909,592	41,685	53,881
Balance End of the Year, Statement B	$ 355,073	$ 1,576,992	$ 1,027,979	$ 50,194	$ 53,910

Micro Teaching Equipment Replacement	*Academic Development*	*Non-Insured Benefits*	*Total*	
			1987	*1986*
$ 50,000	$	$ 725,000	$ 1,075,569	$ 944,345
			976,251	756,469
50,000		725,000	2,051,820	1,700,814
62,984		579,090	815,718	706,744
		35,915	295,725	217,469
		14,995	14,995	4,545
62,984		630,000	1,126,438	928,758
(12,984)		95,000	925,382	772,056
59,128	400,000	630,000	3,309,910	2,537,854
$ 46,144	$ 400,000	$ 725,000	$ 4,235,292	$ 3,309,910

Schedule 13 Changes to Capital Purpose Fund Account
for the years ended March 31, 1987 and March 31, 1986

	1987	*1986*
Additions:		
Universities Grants Commission	$ 4,636,899	$ 6,305,098
Demand Loan	2,615,000	
U.M.S.U.	496,413	
Government of Canada	9,518	961,769
Corporations, Etc.	4,000	
Physical Education Facility Fee	31,823	
Miscellaneous		41,934
	7,793,653	7,308,801
Deductions:		
Major Capital Expenditures		
Management/Transport Institute Building	8,361,926	4,263,922
University Centre Building	671,473	
Earth Science Building	9,518	3,002,945
Max Bell Centre	4,994	41,934
	9,047,911	7,308,801
Inter-Fund Transfers	1,394,192	66,789
Net Change in the Year	139,934	66,789
Balance Beginning of the Year	(148,803)	(215,592)
Balance End of the Year, Statement B	$ (8,869)	$ (148,803)

Schedule 14 Changes to Staff Benefits Fund
for the years ended March 31, 1987 and March 31, 1986

	Benefit Improvement and Maintenance	*Self-Insured Income Disability Plan*	*Group Insurance Experience Refunds*	*Unemployment Insurance Premium Savings*	*Total* *1987*	*Total* *1986*
Additions:						
Experience Refunds (Note 1g)	$	$	$ 913,304	$	$ 913,304	$ 727,503
Income Earned for Period, Net of Management and Administrative Service Fees	233,163	297,863	783,472	73,834	1,388,332	1,101,471
Contributions		764,437		129,643	894,080	906,890
	233,163	1,062,300	1,696,776	203,477	3,195,716	2,735,864
Deductions:						
One-Half of the Post-Retirement Adjustments for Pensioners			210,285		210,285	209,033
Benefit Premium		133,889	2,129	107,872	243,890	267,044
Indemnity Payments		528,025			528,025	513,001
The University of Manitoba Pension Plan re: Unfunded Liability						475,000
		661,914	212,414	107,872	982,200	1,464,078
Inter-Fund Transfers				56,483	56,483	486,237
Net Change in the Year	233,163	400,386	1,484,362	152,088	2,269,999	1,758,023
Balance Beginning of the Year	1,753,409	2,400,702	4,955,113	527,832	9,637,056	7,879,033
Balance End of the Year, Statement B	$ 1,986,572	$ 2,801,088	$ 6,439,475	$ 679,920	$11,907,055	$ 9,637,056

Schedule 15 Changes to Trust and Endowment Fund for the years ended March 31, 1987 and March 31, 1986

	Capital Accounts	*Current Accounts*	*Total*	
			1987	*1986*
Additions:				
Contributions	$ 3,092,530	$ 451,567	$ 3,544,097	$ 1,850,377
Investment Income		2,001,357	2,001,357	1,774,563
Gain on Sale of Land		46,975	46,975	1,975
Income from Mines, Mineral Rights, etc.		76,173	76,173	48,993
Transfer to (from)	206,373	(206,373)		
	3,298,903	2,369,699	5,668,602	3,675,908
Deductions:				
Awards	62,411	264,043	326,454	298,349
Appropriated for Debenture Retirement		31,800	31,800	30,000
Administration Costs				10,607
Benefit Premiums				93,189
Other	42,094	111,186	153,280	39,314
	104,505	407,029	511,534	471,459
Inter-Fund Transfers	(1,036,579)	(1,118,282)	(2,154,861)	(1,447,929)
Net Change in the Year	2,157,819	844,388	3,002,207	1,756,520
Balance Beginning of the Year	10,643,557	6,872,377	17,515,934	15,759,414
Balance End of the Year, Statement B	$12,801,376	$ 7,716,765	$20,518,141	$17,515,934

Schedule 16 **Inter-Fund Transfers**
for the years ended March 31, 1987 and March 31, 1986

	General Operating	*Research and Special*	*Capital Purpose*	*Staff Benefits*	*Trust and Endowment*
Scholarships, Bursaries and Prizes	$ 23,021	$	$	$	$ (23,021)
Chair of Icelandic Language and Literature	27,190				(27,190)
McLachlan Trust Fund	34,423				(34,423)
The Ewart Chair of Constitutional Law	2,220				(2,220)
Manitoba Dental & Alumni Trust Fund	16,180				(16,180)
Interest and Miscellaneous Expenditures re: Debentures	68,464				(68,464)
					(171,498)
Contributions for Capital Purposes			1,394,192		(1,394,192)
Sponsored or Assisted Research		473,156			(473,156)
Special Funds		59,532			(59,532)
Overhead Recovery	919,035	(919,035)			
					(532,688)
U.I.C Premium Savings				56,483	(56,483)
March 31, 1987, Statement B	$ 1,090,533	$ (386,347)	$ 1,394,192	$ 56,483	$ (2,154,861)
March 31, 1986	$ 930,158	$ (35,255)	$ 66,789	$ 486,237	$ (1,447,929)

Schedule 17 Tuition and Related Fees

	March 31, 1987	*March 31, 1986*
Regular Session	$18,164,048	$17,609,996
Summer Session	1,764,537	1,655,842
Non-Credit Courses	1,669,923	1,513,998
Short Courses	472,467	399,528
Statement B	$22,070,975	$21,179,364

Schedule 18 Investment Income (General Fund)

Bank and Short-Term Investments	$ 1,662,469	$ 2,288,096
Sinking Fund Income for Retirement of Debentures	1,199,933	928,899
Statement B	$ 2,862,402	$ 3,216,995

Schedule 19 Overhead Recovery

Government of Canada	$ 12,756	$ 64,418
Province of Manitoba		3,194
Miscellaneous Business, Industry and Foundations		49,873
Statement B	$ 12,756	$ 117,485

Schedule 20 Special Projects Income

Insurance Proceeds	$ 56,256	$ 57,166
Government of Canada		1,619
Statement B	$ 56,256	$ 58,785

Schedule 21 Miscellaneous Income (General Fund)

Sale of Equipment	$ 39,219	$ 25,474
Miscellaneous	47,936	72,386
Rentals	16,562	25,909
Statement B	$ 103,717	$ 123,769

Schedule 22 Universities Grants Commission Grants (General Operating Fund Account)

General Operating	$127,888,022	$123,886,717
Miscellaneous Capital and Special Projects	2,771,941	3,071,941
Debenture Interest and Financing	715,021	721,787
Capital Advance	620,748	620,748
Statement B	$131,995,732	$128,301,193

Schedule 23 Income and Expenditure, Ancillary Enterprises for the years ended March 31, 1987 and March 31, 1986

	Book Department	*Parking*	*Food Service*	*Residences*
Income	$10,255,735	$ 1,701,011	$ 5,547,878	$ 1,841,529
Expenditure:				
Salaries	1,199,165	74,953	2,046,008	931,471
Staff Benefits	103,777	7,823	155,420	79,335
Pay Tax Levy	18,135	1,128	31,351	14,000
Cost of Goods Sold	7,939,102		2,074,302	
Equipment, Alterations, Etc.	152,260	32,222	159,868	179,337
Supplies and Expense	575,621	1,030,147	1,208,173	590,541
	9,988,060	1,146,273	5,675,122	1,794,684
Net Income (Expenditure) Before Appropriations	267,675	554,738	(127,244)	46,845
Appropriated from (to) Specific Provisions	(171,129)	(536,430)	69,536	(42,502)
Net Income (Expenditure), 1987	$ 96,546	$ 18,308	$ (57,708)	$ 4,343
Net Income (Expenditure), 1986	$ 147,264	$ 29,340	$ (40,033)	$ (75,745)

Total	
1987	*1986*
$19,346,153	$17,752,567
4,251,597	4,128,676
346,355	333,700
64,614	62,746
10,013,404	9,145,932
523,687	412,984
3,404,482	3,068,703
18,604,139	17,152,741
742,014	599,826
(680,525)	(539,000)
$ 61,489	
	$ 60,826

Schedule 24 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Agriculture:						
General Operating						
Dean's Office	$ 237,656	$ 865	$ 144,959	$ 31,073	$ 6,073	$ 122,069
Agricultural Economics	759,954	73,715	110,416	87,968	14,217	84,821
Agricultural Engineering	645,725	4,705	96,749	66,653	11,182	66,952
Animal Science	694,642	33,489	409,418	101,714	16,651	55,541
Commercial Dairy			146,056	13,971	2,203	239,081
Entomology	321,034	8,869	62,270	35,665	5,726	23,686
Farm Management			627,080	62,894	9,459	261,660
Food Science	492,028	43,581	77,166	53,359	9,224	52,836
Glenlea Research Station	58,042	486	24,806	7,237	1,253	31,295
Horticulture	53,455		21,208	6,438	1,122	2,867
Plant Science	1,144,504	21,578	761,861	178,695	29,372	136,383
School of Agriculture	214,479	841	27,899	18,000	3,634	51,453
Soil Science	443,761	9,679	153,873	52,668	9,188	35,015
	5,065,280	197,808	2,663,761	716,335	119,304	1,163,659
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	521,529	1,746,158	1,057,940	209,637	37,650	1,452,306
Special Funds	2,234	39,685	177,024	16,519	3,036	104,789
	5,589,043	1,983,651	3,898,725	942,491	159,990	2,720,754
Architecture:						
General Operating						
Dean's Office	82,505		55,225	11,438	2,073	46,232
General Faculty	145,053	642	169,337	28,576	4,894	149,014
Architecture	529,331	5,000		44,318	8,055	18,338
City Planning	325,337	90		24,875	4,871	13,490
Environmental Studies	610,825	13,238	409	52,389	9,336	22,855
Interior Design	603,523	6,269	1,057	51,136	9,085	67,290
Landscape Architecture	259,039	2,175		21,537	3,804	33,487
	2,555,613	27,414	226,028	234,269	42,118	350,706
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research		12,617	20	531	173	4,803
Special Funds						180
	2,555,613	40,031	226,048	234,800	42,291	355,689

		Deduct — Cost Recoveries		Net Expenditure		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1987*	*March 31, 1986*	*% Increase (Decrease)*
$ 31,474	$ 574,169	$	$ 51,202	$ 522,967	$ 476,923	
4,532	1,135,623			1,135,623	1,068,574	
15,501	907,467			907,467	840,549	
436	1,311,891		31,348	1,280,543	1,246,114	
31,149	432,460	424,128	58,406	(50,074)	(71,873)	
6,317	463,567			463,567	416,504	
30,981	992,074	44,362	402,200	545,512	528,102	
12,177	740,371			740,371	635,004	
1,957	125,076			125,076	100,110	
	85,090			85,090		
10,281	2,282,674			2,282,674	2,431,876	
350	316,656		22,222	294,434	275,907	
10,194	714,378			714,378	748,864	
155,349	10,081,496	468,490	565,378	9,047,628	8,696,654	4.0
63,559	63,559			63,559	59,762	
123,102	123,102			123,102		
966,042	5,991,262			5,991,262	5,134,052	
85,353	428,640			428,640	391,434	
1,393,405	16,688,059	468,490	565,378	15,654,191	14,281,902	9.6
	197,473		43,673	153,800	159,877	
13,630	511,146		12,495	498,651	427,117	
	605,042			605,042	565,621	
1,076	369,739			369,739	304,797	
	709,052		7,115	701,937	677,072	
	738,360		43,617	694,743	744,984	
13,892	333,934		240	333,694	317,570	
28,598	3,464,746		107,140	3,357,606	3,197,038	5.0
21,200	21,200			21,200	19,654	
1,882	1,882			1,882		
	18,144			18,144	26,657	
	180			180	5,552	
51,680	3,506,152		107,140	3,399,012	3,248,901	4.6

Schedule 24 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Arts:						
General Operating						
Dean's Office	$ 179,509	$	$ 337,723	$ 45,750	$ 7,868	$ 88,717
General Faculty	1,128,492	3,601	216,245	86,139	21,345	271,617
Anthropology	683,333	51,752	70,011	71,029	12,083	31,583
Classics	189,581	5,455	16,211	19,052	3,156	6,313
Economics	1,308,119	50,336	58,859	121,013	21,344	40,693
English	1,876,209	64,872	70,134	179,630	29,684	46,695
Geography	884,168	45,455	107,897	90,844	15,353	32,845
German	301,718	6,066	18,844	26,524	4,915	8,384
History	1,604,883	67,218	62,080	154,474	25,682	46,138
Icelandic Language and Literature	75,071			6,204	1,129	1,837
Institute for Social and Economic Research						1,500
Judaic Studies	148,810	3,153	11,765	15,016	2,360	5,977
Modern Language Division		11,007	48,066	4,995	898	2,630
Native Studies	120,991	6,223	16,634	12,968	2,154	5,936
Philosophy	654,285	16,380	17,899	58,919	10,264	13,897
Political Studies	801,689	60,678	32,322	72,322	13,206	22,197
Professional and Applied Ethics						4,194
Psychology	2,349,616	150,827	223,545	230,419	40,386	108,176
Psychology — Service Centre	297,234	18,124	44,326	30,871	5,339	12,912
Religious Studies	306,806	6,536	19,405	28,243	5,006	19,007
Romance Languages	995,248	23,042	29,198	89,723	15,692	24,252
Slavic Studies	200,654	7,542	8,864	16,897	3,193	12,323
Sociology	1,374,998	79,924	81,673	129,173	22,897	46,688
Women's Studies	900			38	14	2,468
	15,482,314	678,191	1,491,701	1,490,243	263,968	856,979
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	189,716	464,712	264,646	56,696	11,175	348,200
Special Funds	15,556	16,094	53,592	3,646	1,210	154,487
	15,687,586	1,158,997	1,809,939	1,550,585	276,353	1,359,666
Centre for Ukrainian Canadian Studies:						
General Operating						
Director's Office	43,597		9,905	1,925	813	4,819
	43,597		9,905	1,925	813	4,819
Research	5,789			229	88	
Special Funds	44,152		9,815	1,968	744	17,878
	93,538		19,720	4,122	1,645	22,697

Equipment Alter., Etc.	*Gross Expenditure*	*Deduct — Cost Recoveries*		*Net Expenditure*		*% Increase (Decrease)*
		Inter-Departmental Income	*Other Income*	*March 31, 1987*	*March 31, 1986*	
$ 27,090	$ 686,657	$	$ 212	$ 686,445	$ 682,161	
29,200	1,756,639		62,709	1,693,930	1,801,688	
1,736	921,527			921,527	905,297	
	239,768			239,768	233,326	
175	1,600,539			1,600,539	1,570,641	
6,991	2,274,215			2,274,215	2,204,871	
26,439	1,203,001			1,203,001	1,114,725	
	366,451			366,451	354,023	
1,795	1,962,270			1,962,270	1,856,704	
	84,241			84,241	80,419	
	1,500			1,500	7,061	
	187,081			187,081	183,462	
246	67,842			67,842	67,829	
53	164,959			164,959	154,951	
3,572	775,216			775,216	761,723	
	1,002,414			1,002,414	942,663	
681	4,875			4,875	3,207	
32,229	3,135,198			3,135,198	3,119,209	
9,034	417,840		7,735	410,105	408,982	
146	385,149			385,149	406,301	
2,253	1,179,408			1,179,408	1,124,153	
1,615	251,088			251,088	284,930	
	1,735,353			1,735,353	1,616,312	
	3,420			3,420	5,733	
143,255	20,406,651		70,656	20,335,995	19,890,371	2.2
40,139	40,139			40,139	37,188	
103,379	103,379			103,379		
24,067	1,359,212			1,359,212	1,385,974	
23,327	267,912			267,912	83,215	
334,167	22,177,293		70,656	22,106,637	21,396,748	3.3
	61,059		4,392	56,667	40,416	
	61,059		4,392	56,667	40,416	40.2
	6,106			6,106	12,810	
2,347	76,904			76,904	26,679	
2,347	144,069		4,392	139,677	79,905	74.8

Schedule 24 **Net Academic Faculty Expenditure by Account and Funding**

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Continuing Education Division:						
General Operating						
Director's Office	$ 602,833	$ 2,576	$ 622,474	$ 117,068	$ 18,561	$ 316,624
Non-Credit Granting Courses	363,972	36,572	24,098	18,142	6,507	715,717
Summer School & Evening Credit Granting Courses	956,058	150,664	53,200	34,907	17,075	256,182
	1,922,863	189,812	699,772	170,117	42,143	1,288,523
Miscellaneous Capital						
Research	18,500	45,931	30,767	4,533	1,354	74,447
Special Funds	420,657	41,374	214,287	50,382	9,927	1,632,378
	2,362,020	277,117	944,826	225,032	53,424	2,995,348
Dentistry:						
General Operating						
Dean's Office	140,255		76,506	18,459	3,262	4,250
General Faculty	213,903	43,190	232,903	41,318	7,483	158,995
Anatomy Section	182,100	210	68,949	23,191	3,702	5,053
Continuing Education	10,629		46,049	4,271	861	47,470
General Clinic	1,886	1,210	317,111	32,434	4,810	290,983
Medical Microbiology	43,513		17,347	5,766	914	1,687
Mobile Clinic	17,150	3,744		1,976	308	11,365
Oral Biology	709,258		141,044	73,414	12,683	14,106
Pharmacology	77,466			6,248	1,165	525
Preventive Dental Science	342,698	10,934	105,721	39,591	6,933	16,161
Private Practice Area			15,009	1,937	232	1,154
Rehabilitative Dental Science	652,617	41,346	115,758	56,700	12,190	17,324
School of Dental Hygiene	143,111	29,976	18,088	16,242	2,891	7,498
Stomatology	387,357	15,615	72,013	39,584	7,157	12,050
	2,921,943	146,225	1,226,498	361,131	64,591	588,621
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	34,314	51,217	242,533	26,956	4,376	153,131
Special Funds	128,042	176,206	225,061	28,789	5,429	1,536,546
	3,084,299	373,648	1,694,092	416,876	74,396	2,278,298
Education:						
General Operating						
Dean's Office	172,513	1,433	389,777	54,281	8,587	52,802
General Faculty	306,175	219,155	69,656	29,204	9,019	223,706
Canadian Biographical Series						1,998
Cash Flow	56,091			632	841	
Curriculum: Humanities and Social Sciences	1,052,912	500	518	79,409	15,659	68,846
Curriculum: Mathematics and Natural Sciences	952,867	6,677	7,932	78,159	14,430	23,899
Educational Administration	709,945			53,921	10,678	70,584
Educational Psychology	576,556		147	46,738	8,668	10,382
In-Service Teachers Program		3,149		38	19	9,418
	3,827,059	230,914	468,030	342,382	67,901	461,635
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research		37,781	35,155	2,574	748	57,795
Special Funds	296,481	41,574	141,170	35,500	6,752	832,951
	4,123,540	310,269	644,355	380,456	75,401	1,352,381

		Deduct — Cost Recoveries		Net Expenditure		
Equipment Alter., Etc.	Gross Expenditure	Inter-Departmental Income	Other Income	March 31, 1987	March 31, 1986	% Increase (Decrease)
$ 50,327	$ 1,730,463	$	$ 80,142	$ 1,650,321	$ 1,542,067	
371	1,165,379			1,165,379	1,121,603	
	1,468,086			1,468,086	1,263,406	
50,698	4,363,928		80,142	4,283,786	3,927,076	9.1
20,000	20,000			20,000	1,482	
1,599	177,131			177,131	242,726	
24,235	2,393,240			2,393,240	2,319,435	
96,532	6,954,299		80,142	6,874,157	6,490,719	5.9
	242,732			242,732	184,925	
16,718	714,510			714,510	792,444	
10,205	293,410			293,410	307,495	
32	109,312			109,312	112,093	
1,652	650,086		378,395	271,691	193,052	
	69,227			69,227	76,181	
37	34,580		29,292	5,288		
1,667	952,172			952,172	893,148	
	85,404			85,404	83,576	
	522,038			522,038	545,118	
	18,332		5,204	13,128	17,208	
137	896,072			896,072	839,122	
455	218,261			218,261	228,406	
875	534,651			534,651	549,728	
31,778	5,340,787		412,891	4,927,896	4,822,496	2.2
40,217	40,217			40,217	42,653	
101,137	101,137			101,137		
35,995	548,522			548,522	700,078	
39,648	2,139,721			2,139,721	979,903	
248,775	8,170,384		412,891	7,757,493	6,545,130	18.5
	679,393		702	678,691	598,304	
23,628	880,543		59,840	820,703	1,044,276	
	1,998	90	308	1,600	3,880	
	57,564			57,564	30,692	
8,215	1,226,059		6,000	1,220,059	1,204,664	
9,334	1,093,298		7,313	1,085,985	1,081,222	
	845,128		2,786	842,342	738,060	
140	642,631		2,611	640,020	655,740	
	12,624			12,624	15,226	
41,317	5,439,238	90	79,560	5,359,588	5,372,064	(0.2)
40,814	40,814			40,814	8,000	
5,717	5,717			5,717		
4,890	138,943			138,943	265,853	
7,388	1,361,816			1,361,816	1,322,581	
100,126	6,986,528	90	79,560	6,906,878	6,968,498	(0.9)

Schedule 24 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Engineering:						
General Operating						
Dean's Office	$ 159,047	$ 1,435	$ 92,213	$ 22,947	$ 4,090	$ 139,131
Civil Engineering	1,213,224	76,989	382,833	143,385	25,213	151,281
Electrical Engineering	1,424,274	184,907	461,441	182,014	31,416	131,774
Geological Engineering	237,690	4,002	47,616	25,023	4,353	11,164
Mechanical Engineering	1,206,214	131,950	520,215	161,261	28,063	175,795
	4,240,449	399,283	1,504,318	534,630	93,135	609,145
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	110,429	1,177,630	153,938	40,893	9,123	723,733
Special Funds	207,808	67,932	45,734	20,712	3,912	582,651
	4,558,686	1,644,845	1,703,990	596,235	106,170	1,915,529
Fine Arts:						
General Operating						
Director's Office	1,133,527	747	90,068	103,958	18,214	113,847
	1,133,527	747	90,068	103,958	18,214	113,847
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research		1,600				18,898
Special Funds		650				4,891
	1,133,527	2,997	90,068	103,958	18,214	137,636
Graduate Studies:						
General Operating						
Dean's Office	118,095	852,242	110,685	20,077	3,525	49,254
	118,095	852,242	110,685	20,077	3,525	49,254
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	18,085	320,247	19,654	5,244	1,215	7,543
	136,180	1,172,489	130,339	25,321	4,740	56,797
Human Ecology:						
General Operating						
Dean's Office	77,961	1,044	21,500	9,044	1,592	25,090
General Faculty	72,962	26,358	86,112	13,662	2,786	54,257
Clothing and Textiles	314,579	20,412	75,222	34,815	6,226	14,876
Family Studies	419,947	15,618	37,028	39,642	7,119	14,451
Foods and Nutrition	467,311	12,846	72,251	54,490	8,212	20,278
	1,352,760	76,278	292,113	151,653	25,935	128,952
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research		133,837	30,977	9,851	2,043	110,425
Special Funds						96
	1,352,760	210,115	323,090	161,504	27,978	239,473

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1987*	*March 31, 1986*	*% Increase (Decrease)*
$ 17,517	$ 436,380	$	$ 21,780	$ 414,600	$ 416,635	
19,754	2,012,679	9,952	14,766	1,987,961	1,966,434	
15,976	2,431,802	279	29,654	2,401,869	2,343,665	
1,661	331,509			331,509	319,044	
34,790	2,258,288	3,180	18,361	2,236,747	2,202,838	
89,698	7,470,658	13,411	84,561	7,372,686	7,248,616	1.7
131,198	131,198			131,198	136,380	
207,791	207,791			207,791		
377,894	2,593,640			2,593,640	3,028,149	
11,107	939,856			939,856	593,558	
817,688	11,343,143	13,411	84,561	11,245,171	11,006,703	2.2
791	1,461,152	2,425	29,986	1,428,741	1,395,491	
791	1,461,152	2,425	29,986	1,428,741	1,395,491	2.4
17,761	17,761			17,761	9,742	
4,754	4,754			4,754		
	20,498			20,498	18,698	
	5,541			5,541	2,058	
23,306	1,509,706	2,425	29,986	1,477,295	1,425,989	3.6
2,937	1,156,815		27,749	1,129,066	1,133,687	
2,937	1,156,815		27,749	1,129,066	1,133,687	(0.4)
5,033	5,033			5,033	5,002	
3,158	3,158			3,158		
507	372,495			372,495	420,190	
11,635	1,537,501		27,749	1,509,752	1,558,879	(3.2)
1,007	137,238		7,131	130,107	237,286	
10,778	266,915			266,915	194,237	
119	466,249		59,598	406,651	431,243	
80	533,885			533,885	501,877	
231	635,619		7,464	628,155	592,405	
12,215	2,039,906		74,193	1,965,713	1,957,048	0.4
25,072	25,072			25,072	25,977	
57,253	57,253			57,253		
18,385	305,518			305,518	316,212	
	96			96	4,387	
112,925	2,427,845		74,193)	2,353,652	2,303,624	2.2

Schedule 24 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Law:						
General Operating						
Dean's Office	$ 229,106	$ 7,856	$ 54,918	$ 22,963	$ 4,448	$ 138,195
General Faculty	1,132,993		139,374	109,430	19,027	4,507
	1,362,099	7,856	194,292	132,393	23,475	142,702
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research		19,541		259	80	
Special Funds		13,290		605	199	8,991
	1,362,099	40,687	194,292	133,257	23,754	151,693
Management:						
General Operating						
Dean's Office	94,772		25,009	10,252	1,808	11,918
General Faculty	26,688	36,132	264,130	25,078	5,159	240,947
Accounting and Finance	798,056	35,449	37,731	75,867	13,138	18,450
Actuarial and Business Mathematics	576,849	25,451	34,406	51,999	9,547	10,237
Business Administration	867,550	23,915	36,883	72,654	13,869	8,362
Marketing	444,147	5,340	21,728	38,805	6,950	15,974
Public Policy	376,963	7,668	26,665	32,831	6,196	40,615
	3,185,025	133,955	446,552	307,486	56,667	346,503
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	64,039	49,502	191,465	26,010	4,562	122,704
Special Funds		11,486	8,259	876	274	90,655
	3,249,064	194,943	646,276	334,372	61,503	559,862

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1987*	*March 31, 1986*	*% Increase (Decrease)*
$ 4,426	$ 461,912		$ 32,987	$ 428,925	$ 390,997	
848	1,406,179			1,406,179	1,346,742	
5,274	1,868,091		32,987	1,835,104	1,737,739	5.6
2,689	2,689			2,689	2,500	
2,825	2,825			2,825		
	19,880			19,880	16,821	
1,112	24,197			24,197	22,038	
11,900	1,917,682		32,987	1,884,695	1,779,098	5.9
	143,759			143,759	137,578	
9,820	607,954			607,954	604,606	
539	979,230			979,230	996,150	
5,720	714,209			714,209	686,437	
3,114	1,026,347			1,026,347	972,709	
4,644	537,588			537,588	498,416	
2,421	493,359			493,359	448,710	
26,258	4,502,446			4,502,446	4,344,606	3.6
6,012	6,012			6,012	10,006	
5,000	5,000			5,000		
10,890	469,172			469,172	445,235	
	111,550			111,550	125,058	
48,160	5,094,180			5,094,180	4,924,905	3.4

Schedule 24 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Medicine:						
General Operating						
Dean's Office	$ 185,927	$	$ 242,199	$ 38,290	$ 6,445	$ 45,463
General Faculty	489,526	31,224	193,916	42,399	11,511	398,997
Anaesthetics	367,023		62,915	43,219	6,482	14,654
Anatomy	593,968	1,050	180,982	70,101	11,643	39,992
Biochemistry	617,428		71,321	58,050	10,553	27,453
Central Animal Care			378,573	37,336	5,712	544,585
Computer — Operating and Rentals			44,664	4,806	672	27,367
Continuing Medical Education	48,813		60,010	9,461	1,676	4,797
Educational Development			178,890	17,219	2,670	17,760
Education Programs						
Family Practice Unit	221,727		107,257	36,923	4,953	40,482
Human Genetics	149,061		74,381	19,504	3,379	74,054
Immunology	330,655		108,557	39,367	6,542	28,258
Internal Medicine	2,058,539	8,130	233,485	247,350	34,727	65,635
J. A. Hildes Northern Medical Unit	108,844	22,721	41,680	11,757	2,539	16,753
Microbiology	469,567		142,630	55,547	9,243	12,338
Obstetrics and Gynaecology	519,353		80,515	52,811	8,990	7,787
Opthalmology	19,843		771	728	309	872
Otolaryngology	91,433		26,851	10,589	1,782	292
Paediatrics	779,913		47,538	91,076	13,398	19,902
Pathology	461,317	8,265	68,703	37,294	8,269	35,619
Pharmacology	696,348		129,861	77,484	13,640	27,502
Physiology	776,687		213,112	89,358	16,303	52,572
Psychiatry	554,588		67,892	45,068	9,737	28,671
Radiology	106,412		21,163	6,232	1,850	1,200
School of Medical Rehabilitation	585,018	4,844	75,364	62,664	10,085	63,389
Social and Preventive Medicine	431,286	4,811	34,087	40,264	6,928	17,882
Statistics Division			82,126	7,844	1,239	4,661
Surgery	843,261		165,541	112,362	15,208	21,228
	11,506,537	81,045	3,134,984	1,365,103	226,485	1,640,165
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	1,458,084	3,401,478	4,913,696	630,232	111,789	4,992,837
Special Funds	388,035	1,856,376	676,759	163,470	36,446	2,140,824
	13,352,656	5,338,899	8,725,439	2,158,805	374,720	8,773,826
Music:						
General Operating						
Director's Office	776,466	2,419	41,139	69,552	12,385	383,731
	776,466	2,419	41,139	69,552	12,385	383,731
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Special Funds						57
	776,466	2,419	41,139	69,552	12,385	383,788

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1987*	*March 31, 1986*	*% Increase (Decrease)*
$ 1,575	$ 519,899	$	$	$ 519,899	$ 605,572	
92,816	1,260,389	49,001	23,480	1,187,908	1,109,212	
17	494,310			494,310	527,274	
3,489	901,225	60,832	108	840,285	792,018	
9,728	794,533			794,533	745,877	
2,106	968,312	6,206	757,154	204,952	209,029	
8,714	86,223	9,174	912	76,137	96,794	
	124,757			124,757	129,804	
780	217,319			217,319	200,298	
					159,765	
12,980	424,322			424,322	399,199	
10,393	330,772		93,560	237,212	168,384	
2,686	516,065			516,065	539,318	
4,284	2,652,150			2,652,150	2,608,337	
5,233	209,527		127,160	82,367	116,371	
1,257	690,582			690,582	722,360	
	669,456			669,456	637,810	
	22,523			22,523	69,291	
	130,947			130,947	136,573	
	951,827			951,827	864,457	
4,992	624,459			624,459	660,110	
57	944,892			944,892	897,670	
6,220	1,154,252		522	1,153,730	1,112,626	
4,216	710,172		6,600	703,572	680,402	
	136,857			136,857	133,602	
4,058	805,422			805,422	788,172	
15,638	550,896			550,896	542,695	
	95,870	33,260		62,610	63,223	
491	1,158,091			1,158,091	1,157,636	
191,730	18,146,049	158,473	1,009,496	16,978,080	16,873,879	0.6
101,677	101,677			101,677	108,648	
78,624	78,624			78,624		
1,456,967	16,965,083			16,965,083	16,342,723	
318,105	5,580,015			5,580,015	5,843,270	
2,147,103	40,871,448	158,473	1,009,496	39,703,479	39,168,520	1.4
9,301	1,294,993			1,294,993	1,198,098	
9,301	1,294,993			1,294,993	1,198,098	8.1
4,596	4,596			4,596	10,000	
128,627	128,627			128,627		
	57			57	3,943	
142,524	1,428,273			1,428,273	1,212,041	17.8

Schedule 24 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Natural Resources Institute:						
General Operating						
Director's Office	$ 177,814	$ 6,422	$ 37,873	$ 19,268	$ 3,252	$ 16,241
	177,814	6,422	37,873	19,268	3,252	16,241
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	32	64,094	10,855	2,452	505	42,706
Special Funds						157
	177,846	70,516	48,728	21,720	3,757	59,104
Nursing Education:						
General Operating						
Director's Office	1,082,293	51,678	154,497	111,972	19,317	139,222
Special Nursing Program	119,342	15,177	23,833	13,131	2,392	44,342
	1,201,635	66,855	178,330	125,103	21,709	183,564
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	21,473	27,219	27,401	4,744	911	21,765
Special Funds						11,561
	1,223,108	94,074	205,731	129,847	22,620	216,890
Pharmacy:						
General Operating						
Dean's Office	582,759	19,894	121,734	60,395	10,902	94,596
	582,759	19,894	121,734	60,395	10,902	94,596
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	17,839	63,831	29,021	4,603	832	75,480
Special Funds		11,634		497	180	1,537
	600,598	95,359	150,755	65,495	11,914	171,613
Physical Education:						
General Operating						
Dean's Office	787,056	31,530	103,870	84,342	13,724	151,114
	787,056	31,530	103,870	84,342	13,724	151,114
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	15,398	60,165	66,333	6,447	2,137	31,229
Special Funds		(150)	4,878	238	76	113,706
	802,454	91,545	175,081	91,027	15,937	296,049

		Deduct — Cost Recoveries		Net Expenditure		
Equipment Alter., Etc.	Gross Expenditure	Inter-Departmental Income	Other Income	March 31, 1987	March 31, 1986	% Increase (Decrease)
$ 181	$ 261,051		$	$ 261,051	$ 253,532	
181	261,051			261,051	253,532	3.0
2,494	2,494			2,494	3,000	
1,700	1,700			1,700		
	120,644			120,644	164,255	
	157			157	2,343	
4,375	386,046			386,046	423,130	(8.8)
7,412	1,566,391		4,120	1,562,271	1,670,660	
57,990	276,207			276,207		
65,402	1,842,598		4,120	1,838,478	1,670,660	10.0
7,982	7,982			7,982	9,958	
5,062	5,062			5,062		
2,179	105,692			105,692	66,273	
1,059	12,620			12,620	779	
81,684	1,973,954		4,120	1,969,834	1,747,670	12.7
8,038	898,318			898,318	839,932	
8,038	898,318			898,318	839,932	7.0
11,838	11,838			11,838	12,083	
9,022	9,022			9,022		
9,132	200,738			200,738	241,428	
	13,848			13,848	560	
38,030	1,133,764			1,133,764	1,094,003	3.6
3,015	1,174,651		5,440	1,169,211	1,118,675	
3,015	1,174,651		5,440	1,169,211	1,118,675	4.5
14,866	14,866			14,866	13,425	
6,356	6,356			6,356		
3,997	185,706			185,706	167,595	
2,140	120,888			120,888	106,926	
30,374	1,502,467		5,440	1,497,027	1,406,621	6.4

Schedule 24 Net Other Academic Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Science:						
General Operating						
Dean's Office	$ 302,290	$	$ 88,773	$ 34,337	$ 5,888	$ 14,491
General Faculty	89,780		265,415	32,712	5,985	190,446
Applied Mathematics	598,523	12,402	28,550	53,395	9,614	15,764
Astronomy/Planetarium		6,541	38,014	3,573	697	10,728
Biological Sciences		56,644	61,350	7,074	1,799	18,865
Botany	728,724	26,464	123,603	76,123	13,058	53,566
Chemistry	1,498,321	160,992	354,804	171,735	30,813	132,157
Computer Science	1,565,597	60,403	100,195	153,998	26,669	96,297
Cyclotron Laboratory						
Delta Research Station			69,786	7,703	1,295	19,106
Earth Sciences	834,696	45,938	261,671	104,111	17,368	130,623
Mathematics	1,535,115	34,187	72,336	143,068	25,145	28,509
Microbiology	677,688	56,275	149,265	74,516	13,309	73,608
Physics	1,446,043	88,665	529,497	181,939	32,405	207,899
Special Nursing Program	35,186	12,071		2,476	718	8,140
Star Lake Field Station		11,900		562	179	8,017
Statistics	737,918	53,328	27,032	66,932	12,235	34,370
Zoology	984,645	62,522	267,570	122,788	20,548	56,205
	11,034,526	688,332	2,437,861	1,237,042	217,725	1,098,791
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	476,519	1,377,890	656,226	121,081	23,551	1,667,451
Special Funds	123,828	6,463	16,551	12,967	2,196	13,878
	11,634,873	2,072,685	3,110,638	1,371,090	243,472	2,780,120
Social Work:						
General Operating						
Director's Office	1,258,814	28,022	138,640	129,389	22,292	165,344
	1,258,814	28,022	138,640	129,389	22,292	165,344
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research	45,771	86,081	12,759	6,193	611	44,273
Special Funds	552,005	20,474	143,606	53,059	9,001	1,374,828
	1,856,590	134,577	295,005	188,641	31,904	1,584,445
Total Academic:						
General Operating	70,536,231	3,865,244	15,618,154	7,656,793	1,350,263	9,838,891
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Total Operating	70,536,231	3,865,244	15,618,154	7,656,793	1,350,263	9,838,891
Research	2,997,517	9,141,531	7,743,386	1,159,165	212,923	9,949,726
Special Funds	2,178,798	2,303,088	1,716,736	389,228	79,382	8,623,041
	$ 75,712,546	$ 15,309,863	$ 25,078,276	$ 9,205,186	$ 1,642,568	$ 28,411,658

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1987*	*March 31, 1986*	*% Increase (Decrease)*
$ 1,436	$ 447,215	$	$	$ 447,215	$ 440,578	
95,927	680,265		32,985	647,280	586,432	
587	718,835			718,835	658,016	
7,097	66,650			66,650	54,309	
627	146,359			146,359	130,371	
7,790	1,029,328		3,179	1,026,149	932,851	
9,916	2,358,738	12,135	11,527	2,335,076	2,220,558	
208,820	2,211,979			2,211,979	2,111,207	
					10,172	
17,684	115,574	14,921	17,873	82,780	141,585	
7,401	1,401,808	20,681	12,302	1,368,825	1,285,761	
4,662	1,843,022			1,843,022	1,776,979	
36,933	1,081,594			1,081,594	1,020,901	
	2,486,448	63,307	12,684	2,410,457	2,320,740	
9,500	68,091			68,091		
146	20,804			20,804	26,281	
1,360	933,175	3,788	8,927	920,460	893,772	
4,337	1,518,615			1,518,615	1,503,591	
414,223	17,128,500	114,832	99,477	16,914,191	16,114,104	5.0
283,183	283,183			283,183	133,896	
552,513	552,513			552,513		
677,997	5,000,715			5,000,715	5,657,112	
6,066	181,949			181,949	224,168	
1,933,982	23,146,860	114,832	99,477	22,932,551	22,129,280	3.6
13,737	1,756,238		116,486	1,639,752	1,611,012	
13,737	1,756,238		116,486	1,639,752	1,611,012	1.8
4,323	4,323			4,323	4,031	
2,948	2,948			2,948		
5,991	201,679			201,679	25,976	
21,922	2,174,895			2,174,895	1,966,440	
48,921	4,140,083		116,486	4,023,597	3,607,459	11.5
1,293,795	110,159,371	757,721	2,804,654	106,596,996	103,443,194	3.0
844,653	844,653			844,653	653,387	
1,400,850	1,400,850			1,400,850		
3,539,298	112,404,874	757,721	2,804,654	108,842,499	104,096,581	4.6
3,596,532	34,800,780			34,800,780	34,678,817	
543,809	15,834,082			15,834,082	14,024,327	
$ 7,679,639	$163,039,736	$ 757,721	$ 2,804,654	$159,477,361	$152,799,725	4.4

Statement B

Schedule 25 Net Other Academic Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Academic Review Program:						
General Operating	$	$	$	$	$	$ 57,149
						57,149
Central Breeding Facility:						
General Operating			77,442	5,892	880	96,009
			77,442	5,892	880	96,009
Computer Services:						
General Operating						
Computer Centre			1,922,234	171,688	29,017	436,365
Administrative Data Centre			941,575	89,788	14,197	1,238
Computer Equipment						29,152
			2,863,809	261,476	43,214	466,755
Miscellaneous Capital						
Special Funds			245,203	15,734	3,773	125,800
			3,109,012	277,210	46,987	592,555
Instructional Media:						
General Operating						
Director's Office			1,239,559	114,353	18,697	194,220
			1,239,559	114,353	18,697	194,220
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Research			6,362	113	96	
			1,245,921	114,466	18,793	194,220
Micro Computer Centre:						
General Operating	25,500		69,553	8,702	1,434	60,501
	25,500		69,553	8,702	1,434	60,501
Research Development:						
General Operating	10,352	79,721	32,804	5,791	1,198	79,546
	10,352	79,721	32,804	5,791	1,198	79,546
Research	1,126	36,837	1,615		138	34,889
Special Funds						
	11,478	116,558	34,419	5,791	1,336	114,435

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1987*	*March 31, 1986*	*% Increase (Decrease)*
$	$ 57,149	$	$ 13,829	$ 43,320	$ 14,784	193.0
	57,149		13,829	43,320	14,784	193.0
4,510	184,733	140,660		44,073	93,589	(52.9)
4,510	184,733	140,660		44,073	93,589	(52.9)
15,611	2,574,915	36,474	303,508	2,234,933	2,206,904	
	1,046,798		5,638	1,041,160	928,721	
1,991,886	2,021,038			2,021,038	1,818,925	
2,007,497	5,642,751	36,474	309,146	5,297,131	4,954,550	6.9
7,110	7,110			7,110	8,046	
55,158	445,668			445,668	419,443	
2,069,765	6,095,529	36,474	309,146	5,749,909	5,382,039	6.8
70,198	1,637,027	255,469	58,774	1,322,784	1,361,455	
70,198	1,637,027	255,469	58,774	1,322,784	1,361,455	(2.8)
160,359	160,359			160,359	193,450	
218,494	218,494			218,494		
	6,571			6,571		
449,051	2,022,451	255,469	58,774	1,708,208	1,554,905	9.9
69,293	234,983		45,813	189,170	169,364	11.7
69,293	234,983		45,813	189,170	169,364	11.7
16,214	225,626			225,626	221,099	
16,214	225,626			225,626	221,099	2.0
14,726	89,331			89,331	217,608	
					2,318	
30,940	314,957			314,957	441,025	(28.6)

Schedule 25 **Net Other Academic Expenditure by Account and Funding**

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Staff Development Program:						
General Operating	$	$ 205	$	$	$ 1	$ 18,711
		205			1	18,711
Transport Institute:						
General Operating						
Director's Office	21,840	18,867	18,299	3,736	798	35,344
	21,840	18,867	18,299	3,736	798	35,344
Research	36,401	227,187	51,904	21,635	3,953	35,806
Special Funds						13,192
	58,241	246,054	70,203	25,371	4,751	84,342
Colleges:						
General Operating						
Warden's Office — St. John's College	74,171		124,811	19,395	2,995	31,375
Rector's Office — St. Paul's College	37,040		131,930	15,744	2,548	27,233
Provost's Office — University College	26,519	171	67,422	9,054	1,421	34,707
	137,730	171	324,163	44,193	6,964	93,315
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Special Funds						
	137,730	171	324,163	44,193	6,964	93,315
Total Other Academic:						
General Operating	195,422	98,964	4,625,629	444,143	73,186	1,101,550
Miscellaneous Capital						
Equipment Replacement & Reclamation Projects						
Total Operating	195,422	98,964	4,625,629	444,143	73,186	1,101,550
Research	37,527	264,024	59,881	21,748	4,187	70,695
Special Funds			245,203	15,734	3,773	138,992
	$ 232,949	$ 362,988	$ 4,930,713	$ 481,625	$ 81,146	$ 1,311,237

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1987*	*March 31, 1986*	*% Increase (Decrease)*
$	$ 18,917	$	$	$ 18,917	$ 49,152	(61.5)
	18,917			18,917	49,152	(61.5)
	98,884		1,624	97,260	25,608	
	98,884		1,624	97,260	25,608	279.8
706	377,592			377,592	318,252	
	13,192			13,192	17,728	
706	489,668		1,624	488,044	361,588	35.0
686	253,433		12,700	240,733	275,836	
5,801	220,296			220,296	204,435	
28,452	167,746	18,757	5,053	143,936	143,788	
34,939	641,475	18,757	17,753	604,965	624,059	(3.1)
5,612	5,612			5,612	2,500	
12,862	12,862			12,862		
					37	
53,413	659,949	18,757	17,753	623,439	626,596	(0.5)
2,202,651	8,741,545	451,360	446,939	7,843,246	7,513,660	4.4
173,081	173,081			173,081	203,996	
231,456	231,356			231,356		
2,607,088	9,145,982	451,360	446,939	8,247,683	7,717,656	6.9
15,432	473,494			473,494	535,860	
55,158	458,860			458,860	439,526	
$ 2,677,678	$10,078,336	$ 451,360	$ 446,939	$ 9,180,037	$ 8,693,042	5.6

Statement B

Schedule 26 Net Library Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Libraries:						
General Operating						
Dafoe Library	$ 1,748,708	$	$ 2,539,091	$ 400,615	$ 64,695	$ 2,047,458
Dental Library	60,380		65,671	11,007	1,918	45,626
Law Library	120,281		215,860	40,119	5,067	276,335
Medical Library	168,383		302,933	65,788	7,104	370,901
St. John's College Library	46,845		35,989	7,068	1,250	752
St. Paul's College Library	45,536		63,698	6,316	1,654	31,870
	2,190,133		3,223,242	530,913	81,688	2,772,942
Miscellaneous Capital						
Total Operating	2,190,133		3,223,242	530,913	81,688	2,772,942
Research		35	188			51,299
Special Funds	27,878		17,705	4,121	687	88,167
	$ 2,218,011	$ 35	$ 3,241,135	$ 535,034	$ 82,375	$ 2,912,408

Schedule 27 Net Student Services Expenditure by Account and Funding

General Operating						
Alumni Association	$	$	$ 79,140	$ 7,632	$ 1,193	$ 8,357
Chaplain's Office						3,988
Counselling Services	445,713	4,571	69,733	43,746	7,854	38,743
Special Programming	131,684	4,338	80,422	17,517	3,300	61,031
Native Student Advisor			18,371	1,814	280	1,159
Recreation and Athletics	410,909	4,254	950,069	94,000	20,482	810,217
Student Awards Office	61,214		121,105	15,302	2,746	38,810
Student Housing and Conference Services			85,865	6,743	1,303	12,728
International Centre for Students	18,382		23,775	4,183	634	6,351
U.M.S.U. Special Projects						12,004
University Centre Commission						50,176
University Health Services	54,524		163,083	19,015	3,283	40,411
	1,122,426	13,153	1,591,563	209,952	41,075	1,083,975
Miscellaneous Capital						
Total Operating	1,122,426	13,163	1,591,563	209,952	41,075	1,083,975
Research			1,609	79	24	45,848
Special Funds	20,584		10,792	3,054	471	281,937
	$ 1,143,010	$ 13,163	$ 1,603,964	$ 213,085	$ 41,570	$ 1,411,760

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1987*	*March 31, 1986*	*% Increase (Decrease)*
$ 31,675	$ 6,832,242	$ 18,879	$ 63,287	$ 6,750,076	$ 7,059,611	
	184,602			184,602	187,211	
	657,662			657,662	729,325	
42	915,151			915,151	977,938	
	91,904			91,904	111,284	
	149,074			149,074	150,019	
31,717	8,830,635	18,879	63,287	8,748,469	9,215,388	(5.1)
10,014	10,014			10,014	32,900	
41,731	8,840,649	18,879	63,287	8,758,483	9,248,288	(5.3)
876	52,398			52,398	74,003	
2,472	141,030			141,030	103,508	
$ 45,079	$ 9,034,077	$ 18,879	$ 63,287	$ 8,951,911	$ 9,425,799	(5.0)

Statement B

$	$ 96,322		$	$ 96,322	$ 95,745	
	3,988			3,988	2,856	
4,993	615,353		7,719	607,634	594,443	
11,584	309,876		56,657	253,219	207,938	
	21,624			21,624	20,744	
24,297	2,314,228		1,696,498	617,730	728,908	
888	240,065		(260	239,805	224,320	
	106,639		30,176	76,463	102,101	
	53,325			53,325	54,610	
	12,004			12,004	12,000	
	50,176			50,176	50,176	
103	280,419		95,733	184,686	232,503	
41,865	4,104,019		1,887,043	2,216,976	2,326,344	(4.7)
9,386	9,386			9,386	10,000	
51,251	4,113,405		1,887,043	2,226,362	2,336,344	(4.7)
	47,560			47,560	49,191	
2,006	318,844			318,844	286,470	
$ 53,257	$ 4,479,809		$ 1,887,043	$ 2,592,766	$ 2,672,005	(3.0)

Statement B

Schedule 28 Net Administration Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
General Operating						
President and Vice-Presidents' Offices	$ 674,391	$ 1,200	$ 805,204	$ 127,617	$ 22,541	$ 522,034
Admissions Office			462,666	42,831	6,990	138,982
Board of Governors			90,785	8,739	1,376	58,293
Communications			17,906	1,385	269	2,872
Comptroller's Office			1,835,143	174,197	27,744	180,464
Employee Relations and Personnel		25	885,872	82,957	13,346	124,625
Institutional Analysis			217,915	20,221	3,287	33,950
Internal Audit			132,619	11,609	2,010	7,523
Legal Fees						91,203
Office Machine Services			137,597	14,495	2,076	131,570
Planning Office			107,296	10,658	1,409	2,090
Printing and Publications Services			487,621	47,179	7,361	754,892
Senate Secretariat			110,934	10,856	1,632	8,296
Student Records Office			567,736	49,263	8,165	195,952
Staff Benefits Office			179,083	16,573	2,701	55,480
University Relations and Information			126,639	10,975	1,920	311,696
	674,391	1,225	6,165,016	629,555	102,827	2,619,922
Miscellaneous Capital						
Total Operating	674,391	1,225	6,165,016	629,555	102,827	2,619,922
Research		2,408	16,098	594	210	23,010
Special Funds	4,000	3,080	7,395	507	164	130,417
	$ 678,391	$ 6,713	$ 6,188,509	$ 630,656	$ 103,201	$ 2,773,349

Schedule 29 Net Physical Plant and Energy Management Expenditure by Account and Funding

General Operating				
Insurance	$	$	$	$ 444,542
Operations and Maintenance				
Energy Management	3,221,452	299,469	48,550	611,289
Physical Plant and Safety	993,651	95,071	14,977	76,138
Buildings and Grounds	4,303,433	412,350	64,834	265,934
Post Office and Mail Service	213,790	21,924	3,219	792,956
Security	648,808	61,110	9,805	79,026
Utilities:				
Colleges				173,200
Energy Conservation	43,240	3,959	648	24,279
Fuel — Fort Garry				2,139,966
Fuel — Medical and Dental				936,510
Light, Power and Water				3,452,767
Telephone	43,104	4,462	650	1,749,706
Vehicle Fleet				32,637
Workers Compensation				235,442
	9,467,478	898,345	142,683	11,014,392
Miscellaneous Capital and Special Projects				
Equipment Replacement & Reclamation Projects				
Total Operating	9,467,478	898,345	142,683	11,014,392
Research	1,877	94	28	(12)
Special Funds				
	$ 9,469,355	$ 898,439	$ 142,711	$11,014,380

Equipment Alter., Etc.	*Gross Expenditure*	*Deduct — Cost Recoveries*		*Net Expenditure*		*% Increase (Decrease)*
		Inter-Departmental Income	*Other Income*	*March 31, 1987*	*March 31, 1986*	
$ 71,715	$ 2,224,702	$ 19,092	$ 161,303	$ 2,044,307	$ 1,920,043	
16,685	668,154			668,154	621,275	
91	159,284			159,284	111,401	
3,545	25,977			25,977	40,413	
32,005	2,249,553	858	16,613	2,232,082	2,220,754	
28,720	1,135,545			1,135,545	1,000,510	
4,661	280,034			280,034	244,854	
4,136	157,897			157,897	157,273	
	91,203			91,203	119,465	
179,965	465,703	504,363		(38,660)	(106,778)	
	121,453			121,453	103,506	
73,143	1,370,196	988,855	340,659	40,682	(2,504)	
14,793	146,511			146,511	123,807	
25,835	846,951		80,560	766,391	771,869	
9,370	263,207		111,699	151,508	125,159	
9,665	460,895	205,308	31,462	224,125	218,029	
474,329	10,667,265	1,718,476	742,296	8,206,493	7,669,076	7.0
16,329	16,329			16,329	427,910	
490,658	10,683,594	1,718,476	742,296	8,222,822	8,096,986	1.6
10,000	52,320			52,320	24,786	
4,035	149,598			149,598	109,771	
$ 504,693	$10,885,512	$ 1,718,476	$ 742,296	$ 8,424,740	$ 8,231,543	2.3

Statement B

$ 40,978	$ 485,520	$	$	$ 485,520	$ 287,161	
571,018	4,751,778	511	227,268	4,523,999	4,711,623	
133,071	1,312,908	2,331	20,180	1,290,397	1,302,848	
155,901	5,202,452	6,861	248,230	4,947,361	4,786,239	
1,648	1,033,537	767,467	28,618	237,452	241,838	
2,567	801,316	585,996		215,320	213,507	
	173,200		43,742	129,458	125,185	
43,345	115,471			115,471	136,192	
	2,139,966	178,482	674,887	1,286,597	1,008,144	
	936,510		12,829	923,681	833,126	
2,831	3,455,598	55,905	498,948	2,900,745	2,764,818	
	1,797,922	465,298	7,445	325,179	(10,757)	
29,328	61,965	70,827		(8,862)	8,028	
	235,442		53,198	182,244	106,764	
980,687	22,503,585	3,133,678	1,815,345	17,554,562	16,514,716	6.3
1,774,734	1,774,734			1,774,734	2,029,168	
2,010,618	2,010,618			2,010,618		
4,766,039	26,288,937	3,133,678	1,815,345	21,339,914	18,543,884	15.1
	1,987			1,987	1,968	
					2,786	
$ 4,766,039	$26,290,924	$ 3,133,678	$ 1,815,345	$21,341,901	$18,548,638	15.1

Statement B

Schedule 30 Net General Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
General Operating						
Calendars	$	$	$ 1,650	$	$ 25	$ 60,150
Convocation			53,620	5,721	813	102,211
Handicapped Transport						3,060
Miscellaneous						82,783
Mosaic	3,600		31,648	3,334	544	16,863
Ombudsman	153		82,918	7,220	1,254	8,922
Outreach Programmes						22,556
Playcare Centre			41,639	2,318	629	3,156
Private Funding			163,161	15,162	2,472	149,717
Retiring Allowances				51,010		
Rentals						13,091
Supplementary Health & Dental				94,624		
Supplementary Pensions				684,772		
University of Manitoba Press			48,720	4,528	739	4,279
United Appeal						844
	3,753		423,356	868,689	6,476	467,632
Miscellaneous Capital						
Total Operating	3,753		423,356	868,689	6,476	467,632
Research		1,628	2,718	193	65	15,049
Special Funds	3,249	292	31,310	3,075	649	70,095
	$ 7,002	$ 1,920	$ 457,384	$ 871,957	7,190	$ 552,776
					Statement B	
Total Schedules 24 to 30:						
General Operating	$74,722,356	$ 3,978,596	$41,114,438	$11,238,390	$ 1,798,198	$28,899,304
Miscellaneous Capital and Special Projects						
Equipment Replacement & Reclamation Projects						
Total Operating	74,722,356	3,978,596	41,114,438	11,238,390	1,798,198	28,899,304
Research	3,035,044	9,409,626	7,825,757	1,181,873	217,437	10,155,615
Special Funds	2,234,509	2,306,460	2,029,141	415,719	85,126	9,332,649
	$79,991,909	$15,694,682	$50,969,336	$12,835,982	$ 2,100,761	$48,387,568

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1987*	*March 31, 1986*	*% Increase (Decrease)*
$	$ 61,825		$ 5,521	$ 56,304	$ 55,661	
	162,365			162,365	164,127	
148	3,208			3,208	910	
12,338	95,121			95,121		
	55,989			55,989	57,798	
713	101,180			101,180	91,949	
	22,556			22,556	38,891	
	47,742		42,505	5,237	24,783	
16,134	346,646			346,646	177,871	
	51,010		9,663	41,347	147,321	
32,093	45,184			45,184	31,266	
	94,624			94,624		
	684,772		484,247	200,525	176,709	
	58,266		2,400	55,866	56,189	
	844			844	5,971	
61,426	1,831,332		544,336	1,286,996	1,029,446	25.0
					209,107	
61,426	1,831,332		544,336	1,286,996	1,238,553	3.9
	19,653			19,653	1,735	
452	109,122			109,122	170,923	
$ 61,878	$ 1,960,107		$ 544,336	$ 1,415,771	$ 1,411,211	0.3

Statement B

$ 5,086,470	$166,837,752	$ 6,080,114	$ 8,303,900	$152,453,738	$147,711,824	3.2
2,828,197	2,828,197			2,828,197	3,566,468	
3,642,824	3,642,824			3,642,824		
11,557,491	173,308,773	6,080,114	8,303,900	158,924,759	151,278,292	5.1
3,622,840	35,448,192			35,448,192	35,366,360	
607,932	17,011,536			17,011,536	15,137,311	
$ 15,788,263	$225,768,501	$ 6,080,114	$ 8,303,900	$211,384,487	$201,781,963	4.8

Schedule 31 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
Dr. John E. Abra Fund	$ 15,000	$ 3,133	$ 18,133
Dr. John Earl Abra Scholarship in Orthodontics	3,217	361	3,578
Rahul Aggarwal Memorial Fund		2,911	2,911
Agriculture and Home Economics Loan Fund	2,828	16,832	19,660
Agriculture Engineering Scholarship		1,809	1,809
Agriculture Faculty Awards	8,221	926	9,147
Sir James Aikins Fund	13,936	1,584	15,520
Lloyd Aitken Memorial Bursary	5,795	559	6,354
Aaron Akman Scholarship Fund	5,057	592	5,649
Alberta Award — Faculty of Management		460	460
Dr. Frank Allen Medal Fund	2,134	239	2,373
Altrusa Club of Winnipeg Award	2,451	371	2,822
Anatomical Research Fund	61,753	24,627	86,380
C. L. Anderson Feed-Rite Awards and Fellowship	100,000	5,291	105,291
Clara Kemila Anderson Memorial Fund	5,746	669	6,415
Arthur Andersen & Co. Fellowship		12,360	12,360
Frances J. Anderson Trust Fund	24,857	2,824	27,681
Irene Anderson Memorial Scholarship	10,400	571	10,971
T. A. (Stoney) Anderson Gold Medal	700	167	867
Architecture Endowment Fund		60,233	60,233
Armed Forces Memorial Award	6,498	1,405	7,903
The Henry Percy Armes Memorial Lectures Fund	12,000	7,115	19,115
Doreen Ash Memorial Prize	1,335	319	1,654
Association of Professional Engineers of Manitoba Fund	10,000	8,240	18,240
The Charles Lorraine Atkinson Fund	36,000	4,577	40,577
The A. J. Averbach Memorial Prize	1,000	113	1,113
Back to the Land Assistance Association Prize	12,976	1,539	14,515
Rose Dora Baru Prize in Judaic Studies	1,600	180	1,780
Emma J. Bates Memorial Fund	9,441	1,337	10,778
Michael Beach Memorial Fund	3,097	348	3,445
Ed & Evelyn Bell Bursary	2,674	297	2,971
C. K. Bell Memorial Fund	1,111	283	1,394
L. Nian Bellan Memorial Scholarship Fund		1,020	1,020
The Caroline Berbrayer Scholarship Fund	25,416	3,313	28,729
Prof. C. P. Bennett Thesis Award	3,063	315	3,378
Benidickson Reading Room	25,000	1,983	26,983
The Edith Rose Berger Scholarship in Judaic Studies	3,117	365	3,482
Harry Berger Scholarship Fund	3,750	429	4,179
Rozelle Berger Bursary	4,494	515	5,009
Norman S. Bergman Bursary	901	236	1,137
Emil Bernier Memorial Bursary Fund	1,078	228	1,306
Charles Biesick Memorial Bursary	4,605	462	5,067
Bison Foundation	71,581		71,581
The Olafur Bjornson Prize	829	94	923
Lt. James Wallace Black Memorial Award	1,930	208	2,138
Cecil Black Memorial Law Bursary	2,000	234	2,234
Cecil Black Memorial Prize in Current Legal Problems	1,500	351	1,851
Cecil Black Memorial Prize in Estate Planning	1,500	170	1,670
Dr. William Bloom Prize Fund	985	112	1,097
The Jack Blumberg Memorial Prize	1,024	116	1,140
Boise Cascade Scholarship	20,080	2,309	22,389
Dorothy M. Bolton Scholarship Fund	2,930	336	3,266
Botany Dalgarno Distinguished Visitor Award		20,505	20,505
The Ethel Louise (Armstrong) and John Esterbrook Botterell Fund	5,284	1,263	6,547
Dr. Manly Bowles Scholarship	3,329	382	3,711

Schedule 31 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Stella Boyd Memorial Scholarship	$ 2,600	$ 301	$ 2,901
Dr. George A. Brass Teaching Fund	9,673	10,787	20,460
Aaron Bricker Memorial Scholarship Fund	2,104	241	2,345
Bristol Aerospace Limited — W. Murray Auld Bursary	5,027	542	5,569
Robert (Bob) Bristow Memorial	379	7	386
Alan Bronfman Family Scholarship	39,160	4,563	43,723
The Rosa Brook Scholarship Fund	3,414	393	3,807
The Israel Brotman Memorial Bursary	2,437	284	2,721
Helen Broughton Prize	2,996	335	3,331
Estate of Dora M. Brown		18,673	18,673
Neil Kay Brown Memorial Bursary	5,287	620	5,907
Richard Brown Memorial Bursary	2,663	619	3,282
George Brownell Memorial Prize	17,217	1,944	19,161
Robert Bruce Memorial Fund	3,829	438	4,267
Dr. Michael Bruser Memorial Bursary	7,640	888	8,528
Dr. Michael Bruser Memorial Fund	7,156	2,863	10,019
Nathan S. Bubbis Memorial Bursary	13,623	1,569	15,192
The Manley Burshtein Memorial Bursary in Medicine	8,928	2,780	11,708
Sarah F. Burshtein Memorial Bursary	6,163	1,562	7,725
Dr. L. W. Caldbick Scholarship	2,293	264	2,557
James H. Cameron Scholarship	12,287	1,411	13,698
Janet Ian Cameron Memorial Bursary	1,599	712	2,311
The Caminetsky Prize in Pharmacology and Therapeutics		1,032	1,032
A. Lorne Campbell, Q.C. Fund		2,401	2,401
Dr. and Mrs. Ralph Campbell Outreach Award	1,428	1,092	2,520
Dr. William F. Campbell Scholarship in Orthodontics	4,056	473	4,529
Canadian Society for Mechanical Engineering Gold Medal	933	143	1,076
Dr. Peter Cansfield Memorial Fund	582	155	737
Canada Northlands Development Award	6,740	776	7,516
Patricia Card Memorial Bursary	2,078	248	2,326
E. V. Caton Memorial Scholarship	3,230	1,466	4,696
C.A.R.M. — N.R.I. Endowment		1,856	1,856
Chair of Icelandic Language and Literature	261,069		261,069
Chairman of the Board, Special Opportunity Trust Fund	500	417	917
Chair in Women's Studies	537,605	17,522	555,127
Chair of Management	5,000	2	5,002
The Chancellor's Prize Fund	3,463	389	3,852
Chemistry Graduate Studies Scholarship	1,319	104	1,423
Muriel Brooks Childerhose Memorial Scholarship	2,630	305	2,935
Alice M. Chisholm Bursaries	6,914	782	7,696
Charles Gray Chown Scholarship Fund	338,400	200,861	539,261
Dr. H. H. Chown Prize Fund	6,708	2,407	9,115
W. J. Christie Memorial Bursary	9,590	1,101	10,691
A. J. Christie Prize	3,747	422	4,169
Colonel Edward Churchill Prize	1,740	197	1,937
Estate of Nancy Hetti Clark		6,744	6,744
Maurice Chusid Memorial Bursary	5,011	557	5,568
Class of Arts and Science '30 Prize	694	78	772
Dr. John W. Clay Medal Fund	1,296	368	1,664
John W. Clay Scholarship Fund	8,566	6,737	15,303
Cleft Palate Fund	16,103	6,700	22,803
Harold R. Coish Memorial Scholarship	10,154	1,155	11,309
Anne Cohen Memorial Bursary	11,024	1,664	12,688
Benjamin Cohen Scholarship	3,655	419	4,074

Schedule 31 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Sara and Moses Cohen Prize in Law	$ 1,817	$ 205	$ 2,022
Dr. E. N. Cole Memorial Fund	2,803	319	3,122
College of Physicians and Surgeons Loan Fund	20,440	14,960	35,400
Roma Collins Memorial Fund		1,213	1,213
Hazel G. Cook Memorial Cancer Research Bequest	42,505	86,441	128,946
Samuel Corman Memorial Bursary	2,264	265	2,529
James H. Cook Memorial Bursary	7,079	2,122	9,201
H. I. Corne Prize	1,316	288	1,604
Estate of Elva S. Corrigill	55,228	6,359	61,587
Dr. Vic Corroll General Proficiency Award	1,030	162	1,192
June Helen Coulter Memorial Fund	10,000	1,136	11,136
Peter L. Coultry Memorial Book Prize	1,253	142	1,395
Cowcup Trust Fund		25,437	25,437
Don Craik Memorial Scholarship	1,250	8	1,258
Bruce Currie Memorial Scholarship Fund		1,690	1,690
The Peter D. Curry Chancellor's Award	1,000	329	1,329
Estate of James C. Dalgarno	120,917	29,728	150,645
Catherine Elizabeth Davidson Bursaries in Medicine	2,845	641	3,486
Lorna M. Davis Scholarship		201	201
The Dr. N. Demchuk Award	3,126	351	3,477
Dental Museum — History	3,092	1,555	4,647
Emilie Sumi Denney Scholarship	3,320	377	3,697
Estate of Dr. Agnes Isabelle Dodds	7,577	28,534	36,111
Joseph Doupé Medal Fund	5,076	1,890	6,966
Dr. Joseph Doupé Memorial Bursaries	4,258	480	4,738
The Ieleane Downey Memorial Book Prize	1,085	124	1,209
Anthony G. Draper Memorial Prize	746	84	830
Nicholas Dubick Memorial Scholarship	6,501	684	7,185
B. B. Dubienski Memorial Scholarship	10,736	1,454	12,190
The Duckworth Fund	993	15	1,008
Margaret Louis Drummond	254	8	262
August Dyck Scholarship Fund	3,096	344	3,440
Frank Edick Memorial Prize	500	57	557
Education Alumni Bursary		1,115	1,115
Grettir Eggertson Fund	2,591	8,735	11,326
The Mary Jane Ego Scholarship	6,287	706	6,993
Eleventh Field Ambulance Fund		768	768
Gissur Eliasson Memorial Scholarship	5,040	1,212	6,252
Miriam Green Ellis Fund in Animal Science	29,942	12,875	42,817
Miriam Green Ellis Fund in Plant Science	29,190	12,018	41,208
Employers' Association of Manitoba Scholarship in Commerce	12,915	2,006	14,921
English Speaking Union Prize	1,001	232	1,233
Audrey Watts Ensminger and Francis Watts Johnson Scholarship	10,575	1,453	12,028
Esther Brina Erenberg Memorial Scholarship	1,962	226	2,188
Sarah Essers Book Prize	867	133	1,000
Estey Family Endowment Fund	29,000	5,607	34,607
The Ewart Chair of Constitutional Law	20,000		20,000
The John S. Ewart Memorial Fund	64,455	9,661	75,116
Faculty of Management Library Fund	25,579	1,233	26,812
Faculty of Dentistry Library Trust Fund	25,729	3,207	28,936
Douglas Bartlett Fahlgren Memorial Prize	2,498	284	2,782
The Ethel M. Falardeau Scholarship (or Bursary) Fund	3,962	1,536	5,498
Dr. Ivy Falardeau Memorial Bursary Fund	11,900	4,941	16,841
William Fedorus Award	1,570	322	1,892
Dr. Elizabeth Feniak Fund	6,278	651	6,929
The E. P. Fetherstonhaugh Memorial Scholarship Fund	37,485	4,385	41,870

Schedule 31 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Financial Executives Institute — Wpg. Chapter	$ 3,500	$ 1,246	$ 4,746
Fay Finestone Achievement Award	500	49	549
Sam Finkle Memorial Bursary	25,014	6,573	31,587
The David R. Finkelstein Memorial Bursary	3,562	395	3,957
Kenneth Finkelstein Prize in Sculpture	1,075	562	1,637
Miriam Finkelstein Memorial Bursary	2,694	308	3,002
Dr. Robert Fletcher Gold Medal in Education	678	76	754
Fort Garry Chamber of Commerce	7,173	1,495	8,668
Alf Francis Memorial Prize	1,500	170	1,670
Heinz Frank Memorial Scholarship	9,630	2,283	11,913
Chief Justice Samuel Freedman Faculty of Law Fund	4,500	706	5,206
Dr. Joseph Freeman Memorial Book Prize	535	61	596
Marguerite Fryer Estate	14,399	884	15,283
Dr. H. P. H. Galloway Memorial Scholarship	17,291	4,762	22,053
Dr. Matthew Henry Garvin Estate	22,786	1,279	24,065
Dona Pilley Gauthier Memorial Scholarship		687	687
General Trust	1,443,797	1,714,441	3,158,238
Morris and Bella Genser Bursary	3,341	400	3,741
Geriatric Medical Bursaries		2,707	2,707
The Gershfield Estate Scholarship	1,507	172	1,679
Alexander Gibson Memorial Lectureship Fund		204	204
J. M. Gilchrist Bursary	5,354	666	6,020
Thorsteinn J. Gislason Memorial Scholarship	12,909	3,173	16,082
R. R. Goodwin, QC, Memorial Fund	14,835	1,723	16,558
Sari Golden Memorial Bursary	2,198	252	2,450
Mr. and Mrs. S. W. Golden Prize	554	63	617
Dr. Cyril H. Goulden Memorial Scholarship	4,226	445	4,671
Graduate Award in Pharmacology and Therapeutics	500	385	885
Dr. John M. Grahame Scholarship Fund	7,183	826	8,009
Anne Grady Memorial Bursary	5,000	392	5,392
James H. Gray Medal Fund	514	58	572
Hart Green Junior Memorial Prize in Criminal Procedure	1,318	148	1,466
Dr. Norman Greenberg Prize in Dentistry	550	63	613
Gilbert T. Gregory Memorial Prize	1,698	194	1,892
Josephine and Louis Green	1,150	26	1,176
Edward Oliver Grimsdick Memorial Prize	767	181	948
Gershon and Adela Grubert Memorial Scholarship	6,096	683	6,779
Pall Gudmundson Scholarship Fund	60,340	46,147	106,487
Estate of Joseph E. Guertin	108,768	136,614	245,382
Dr. John A. Gunn Memorial Scholarship in Surgery	4,710	778	5,488
The Honourable Mr. Justice R. Guy	10,000	1,028	11,028
Eldon Hagglund Memorial Acquisition Fund	42,517	24,740	67,257
Dr. F. W. L. Hamilton Scholarship Fund	6,511	731	7,242
William Leslie Haney Library	10,000	897	10,897
Joan Harland Scholarship Fund	5,618	1,224	6,842
Jack Hart Memorial Scholarship		647	647
Margaret Elder Hart Graduate Study Award	8,801	1,232	10,033
The Hart Scholarship	3,993	1,177	5,170
Viktor Havlicek Memorial Fund	11,370	1,262	12,632
Charles Hawkins Memorial Bursary	15,889	1,805	17,694
John W. Hawryluk Memorial Scholarship	8,666	1,628	10,294
Leonard Heaton Memorial Scholarship	18,577	2,136	20,713
Dr. Frank Hechter Book Award	1,000	114	1,114
Gerald M. Hechter Bursary in Engineering	11,026	1,266	12,292
Irving L. Hechter Book Award	2,598	292	2,890
Shirley Joy Hechter Memorial Award	2,671	300	2,971

Schedule 31 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Dr. Ted Hechter Scholarship Fund	$ 963	$ 110	$ 1,073
Mary E. Hedley Fellowship	5,240	2,662	7,902
Dr. R. L. Hedley Memorial Research Fund		9,335	9,335
Dale Henwood Lectureship	6,100	3,206	9,306
William J. Hill Memorial Fund	3,991	990	4,981
The Hirsch Memorial Prize	1,676	185	1,861
History Interdisciplinary Fund	1,619	628	2,247
Madge Hogarth Bursary Fund	10,000	4,736	14,736
The Alexandra Wrightson Hogg Scholarship	33,902	3,932	37,834
Dr. A. W. Hogg Bequest	260,347	514,775	775,122
Reverend Joseph Hogg Scholarship	40,206	9,118	49,324
Dr. A. W. Hogg Bequest (Faculty Loan Fund)		60,951	60,951
Abraham Bessie & Mina Hollenberg Bursary Fund	5,363	1,660	7,023
Dr. Esther Gorsey Hollenberg Memorial Bursary	22,570	6,185	28,755
Bernice and William Holub Medical Library Fund	5,293	594	5,887
Home Economics Manitoba Association Bursary	5,635	649	6,284
Human Ecology Students' Society Bursaries	4,931	566	5,497
Edith F. Hudson Memorial Fund	10,000	16,898	26,898
The Hon. Mr. Justice Hudson Prize in Law	2,264	486	2,750
The Professor W. M. Hugill Memorial Scholarship	12,202	1,354	13,556
Human Ecology 75th Anniversary		1,248	1,248
Dorothy Hunt Memorial Prize	477	54	531
Victoria Hull Memorial Fund	5,730	657	6,387
Michael H. Hykawy Memorial Scholarship	5,005	1,602	6,607
The Marcus Hyman Memorial Scholarship	3,111	365	3,476
Molly Hyman Award in Art		453	453
Samuel Hyman Memorial Prize	1,564	176	1,740
Immunology Pharmacia	40,000	4,491	44,491
Imperial Seed Co. Ltd. Scholarship	26,635	4,464	31,099
Institute for Social & Economic Research		57,805	57,805
Interlake Grassland Society Bursaries	12,974	1,461	14,435
Leonard Isaacs Scholarship	7,559	874	8,433
Isbister Scholarships	41,855	5,104	46,959
Sonia Roffman Isenberg Prize	526	53	579
Jared Israels Memorial Fund	15,618	3,965	19,583
Sarah and Simon Israels Memorial Lecture Fund	10,425	11,993	22,418
Msgr. John Iwanchuk Memorial	10,000	943	10,943
Richard Jackson Memorial Bursary	5,916	1,203	7,119
The Dr. Elmer S. James Memorial Fund	21,988	25,111	47,099
Duncan J. Jessiman, Q.C., Prize	1,000	34	1,034
Dr. A. V. Johnson Memorial Book Prize	616	125	741
William A. Johnston, Q.C. Estate	515,284	51,919	567,203
Mary Hamilton Johnston Memorial Bursary	3,882	339	4,221
Marie Jomini Scholarship	3,013	337	3,350
Brad Jonk Memorial Award		1,011	1,011
C. Meredith Jones Memorial Scholarship	8,608	955	9,563
Sophie Kanee Memorial Prize	992	100	1,092
Hung-Pin & Liu-Shih Kao Scholarship	2,506	563	3,069
Max Kaplan Prize in Legal Aspects of Business Planning	500	23	523
Rose Kare Memorial Fund	2,000	225	2,225
The Sadie Karr Memorial Book Prize	1,009	238	1,247
Aaron Katz Memorial Scholarship	1,462	699	2,161
The Frances and Hyman Kay Bursary	3,289	385	3,674
The Mr. and Mrs. Samuel Fred Kay Bursary	3,177	372	3,549

Schedule 31 Trusts and Endowments

	Capital Account	*Current Account*	*Total*
Kellogg Foundation Medical Loan Fund	$ 11,255	$ 30,136	$ 41,391
Kellogg Foundation Faculty of Dentistry Loan Fund	14,293	43,842	58,135
Dr. Frank Kennedy Memorial Fund		2,171	2,171
H. W. Kennedy Scholarship Fund	2,078	235	2,313
Joan Kennett Memorial Award	577	135	712
E. B. Kernaghan Bursary	33,218	3,881	37,099
Kidney Transplant Program	6,919	670	7,589
Dr. Alvin Klady Memorial Fund	3,139	356	3,495
Klieforth Prize in American History	1,137	128	1,265
Sheldon F. Kohn Bursary	4,500	526	5,026
David and Marion Korn Award	2,000	378	2,378
Knowles — Hawkins Memorial Bursary	6,082	591	6,673
Adalsteinn Kristjanson Scholarship	67,832	19,330	87,162
Leonard Krueger Centennial Award	1,609	184	1,793
Leonard Krueger Scholarship in Dentistry	1,129	131	1,260
Steve Kucyk Scholarship or Fellowship	10,632	1,208	11,840
Mike Kupfer Memorial Award	3,288	304	3,592
Jack Kusch Memorial Prize		252	252
Landscape Architecture Award Fund	1,000	1,446	2,446
Dr. T. J. Lamont Memorial Prize Fund	11,515	4,463	15,978
Sarah Ann Lambert Memorial Fund	12,233	10,572	22,805
Dr. W. G. Lamberd Memorial Fund	2,299	472	2,771
C. E. L'Ami Prize in Slavic Studies	6,220	705	6,925
H. V. Larusson Memorial Prize	505	179	684
Law Class of 1955 Fund		4,210	4,210
Law Class of 1976 Fund		3,721	3,721
The Rosabelle Searle Leach Scholarship	5,561	799	6,360
Learned Societies Fund	104,480	1,303	105,783
Esther Leckie Memorial Fund	3,200	111	3,311
Dr. J. M. Lederman Memorial Fund	9,012	1,012	10,024
Alexander Robert Leonard Scholarship	10,328	1,188	11,516
Ed Letinsky Annual Sketch Prize		243	243
Irving Levi Prize in Geology	357	41	398
David Levin Memorial Scholarship	2,648	302	2,950
James Palmer Lewis Lectureship Fund		2,402	2,402
Life Underwriters Association of Canada Prize	3,929	443	4,372
The Winona Lightcap Memorial Scholarship	3,500	413	3,913
Professor Robert J. Lockhart Memorial Fund	25,725	26,076	51,801
Jack Roy Longstaffe Bursaries	96,595	10,886	107,481
The William McLeod Lougheed Memorial Bursary	7,145	821	7,966
Donald George M. Lougheed Memorial Scholarship	3,988	328	4,316
Dr. G. Lubinsky Memorial Scholarship	3,068	351	3,419
Albert Lucas Prize Fund	1,422	160	1,582
Earl Lunsford Bursary	5,552	643	6,195
Elizabeth Luginbuhl Memorial Award	6,441	754	7,195
Sterling Rufus Lyon Scholarship in Const. Law	5,868	665	6,533
Michael Lyseyko Memorial Scholarship	6,750	531	7,281
Jack MacDonell Scholarship in Aging	20,241	4,542	24,783
David Ian MacKenzie Medal in Zoology	1,100	196	1,296
Gordon Mackie Scholarship		100	100
MacLaughlin-Hart Gold Medal Fund	1,992	394	2,386
Irwin H. Mael Pharmacy Student Loan Fund	512	332	844
Mah Society Bursary	10,000	1,363	11,363
Laurell Maley Memorial Bursary Fund	6,870	561	7,431
Mykyta I. Mandryka Scholarship	5,113	470	5,583
Manitoba Dental Association — Dental Hygiene Student Loan Fund	2,694	10,400	13,094
Man. Dental & Man. Alumni Assoc. Fund		5,520	5,520

Schedule 31 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Manitoba Diamond Jubilee Scholarship Fund	$ 1,346	$ 151	$ 1,497
Manitoba Naturalists Society Scholarship	5,056	588	5,644
Manitoba Pharmaceutical Association Fund	29,115	5,069	34,184
Ralph Allan Mann Memorial Fund	6,204	6,393	12,597
Connie and Major Margolis Bursary	3,981	455	4,436
Mr. and Mrs. Max Margolis Prize	4,951	563	5,514
Anne Matas Memorial Prize in English	1,338	153	1,491
The Honourable Mr. Justice R. J. Matas Memorial Fund	3,275	65	3,340
The Honourable Mr. Justice R. J. Matas Canadian Law School Bursary	3,650	60	3,710
Charles A. May Memorial Bursary	702	87	789
Jean & Joseph M. McCombe	10,000	67	10,067
Dr. Clifford McCormick Memorial Fund	5,143	1,323	6,466
Dr. W. A. McElmoyle Memorial Bursary	10,000	3,681	13,681
The Alexander McIntyre Prize in Education	4,128	463	4,591
Allan McKean Memorial Scholarship	4,686	549	5,235
John McKechnie Memorial Scholarship	6,814	797	7,611
M.C.L. Bird Station Bursaries	13,452	1,958	15,410
Mrs. V. McLaughlin Memorial Award		348	348
Dr. Harry Percival McPhail Memorial Scholarship	5,840	3,273	9,113
Medal of Merit in Home Economics	3,319	369	3,688
Medical Faculty Women's Club Centennial Prize in Medicine	2,882	320	3,202
Medical Faculty Women's Club Loan Fund	1,217	1,680	2,897
Medical Immunology Special Research Fund	20,000	2,246	22,246
Medical Library Trust Fund	106,397	11,174	117,571
Medical Research Fund	5,102	16,581	21,683
Betty Meltzer Memorial Prize	1,006	114	1,120
Sara Meltzer Memorial Prize	4,117	1,288	5,405
Lillian Slusman Meyers Bursary in Medicine		587	587
Archie Micay, Q.C. Prize in Law	2,100	403	2,513
Estate of Sam Micsan	35,672	42,660	78,332
Roscoe R. Miller Scholarship	7,500	2,166	9,666
Esther & Samuel S. Milmot Scholarship	5,000	33	5,033
Estate of Sydney L. Morantz	5,000	2,474	7,474
L. D. Morosnick Prize	1,267	269	1,536
Estate of Mona G. Morrison		2,861	2,861
Jean Morton Memorial Bursary	3,885	1,212	5,097
W. L. Morton Gold Medal in History	1,267	470	1,737
George Mower Memorial Prize	647	73	720
Dan Muir Memorial Award	6,888	773	7,661
Paul Myers Memorial Award	760	158	918
Terry Jon Myers Award	3,054	766	3,820
Nabisco Chair in Marketing	160,050	15,832	175,882
Neaman-Shenkarow Opportunity Fund	10,000	4,332	14,332
Samuel M. Neamtan Memorial Scholarship	5,052	1,029	6,081
Walter C. Newman Fund	10,190	1,146	11,336
N.H.R.D.P. Grant (re DR.)		8,592	8,592
Nicholson Memorial Fund	4,150	466	4,616
Dr. J. R. W. Nicholson Prize in Medicine	1,000	140	1,140
The Nickerson Prize in Pharmacology and Therapeutics	4,579	1,775	6,354
Burt Nitikman Memorial Lectures Fund	1,500	236	1,736
The Honourable I. Nitikman and Mrs. I. Nitikman Prize	1,265	267	1,532
The Alex Noble Memorial Scholarship	3,219	329	3,548
The George Alastair Noble Bursary	2,284	267	2,551
Bernard Noonan Memorial Fund	1,039	119	1,158
Hon. John Norquay Scholarship	3,858	336	4,194
Northern Sales Co. Ltd. — C. O. Swartz Fund	25,000	17,278	42,278

Schedule 31 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Mark Lewis Nozick Memorial Scholarship	$ 11,683	$ 2,292	$ 13,975
Nursing Education Endowment Fund	29,476	19,282	48,758
O. T. Memorial Bursary		366	366
Doreen O'Donnell Memorial	5,000	449	5,449
Okamura Trust Fund		2,218	2,218
Old Age Pensions Society of Manitoba Incorporated	1,000	112	1,112
The Mindel and Tom Olenick Medal and Prize in Microbiology	5,064	573	5,637
Dr. Morley Oretzki Scholarship Fund	1,799	206	2,005
Gordon P. Osler Fund	40,000	3,676	43,676
William James Osborne Scholarship	7,685	1,633	9,318
Halsey A. Park Memorial Prize	277	31	308
Israel & Bessie Parr Bursary	3,000	6	3,006
Florence Pauls Prize in Nursing	1,626	189	1,815
Andrew & Nellie Pawlik Scholarship	10,000	152	10,152
Nels and Elvira Pearson Scholarship Fund	3,924	591	4,515
H. C. Pentland Memorial Fund		978	978
Personnel Association of Greater Winnipeg	1,000	112	1,112
Aaron Jenkins Perry Memorial Scholarship	51,527	6,034	57,561
Perth Services Ltd. Award		3,448	3,448
David Renfrew Petrie Memorial Medal	1,540	227	1,767
Mary Pflueger Award		1,578	1,578
Richard (Dick) Lorne Pierce Memorial Bursary	2,467	525	2,992
Carol-Anne Plezia Memorial Bursary	10,489	2,758	13,247
Portnoy Prize Fund	1,183	282	1,465
Mr. and Mrs. Charles Portnuff Prize in Medicine	2,028	801	2,829
Baird Poskanzer Memorial Fund	4,381	834	5,215
Estate of Thomas James Pounder	26,515	37,516	64,031
Edward Ross Pressman Memorial Bursary	3,234	704	3,938
John Angus Prescott Memorial Book Prize	584	66	650
President's Research and Development Fund	3,240	227	3,467
President's Scholarship Fund		2,946	2,946
President's Special Projects Fund		476	476
Estate of J. M. Pritchard	10,000	1,123	11,123
Willard J. Condo Prosthodontic Bursary Fund	12,000	18,013	30,013
Dr. Donald B. Proctor Memorial Fund	5,319	1,186	6,505
Protein & Polypeptide Hormone Trust Fund	750,000	294,363	1,044,363
Leon Provancher Prize in Systematic Zoology	4,319	1,674	5,993
Prowse Prize Fund	30,598	11,878	42,476
Psychology Alumni Faculty Scholarship Fund	7,861	723	8,584
Dr. James Pullar Memorial Trust	25,306	2,875	28,181
The R.A.C. Memorial Scholarship	3,112	667	3,779
R.C.N.V.R. (Women's Auxiliary Scholarship Loan Fund)	2,038	11,771	13,809
Dr. Maxwell S. Rady Scholarship in Obstetrics and Gynaecology	5,415	1,274	6,689
Dr. Maxwell S. Rady Scholarship	3,000	722	3,722
Josefine C. Rauch Memorial Prizes	5,736	637	6,373
Dr. Marvin Raynes Memorial Prize	1,244	460	1,704
Refresher Courses in Medicine		42,408	42,408
Donald Parker Reid Bursary in Medicine	13,270	4,739	18,009
Catherine Elizabeth Reimer Memorial Fund	2,960	339	3,299
Dr. Vernon B. Rhodenizer Graduate Scholarship	12,018	1,783	13,801
Jack Rice Memorial Scholarship	2,060	613	2,673
Marcel Richard Memorial Scholarship	5,960	3,195	9,155
The Marcel Richard — L'Alliance Francaise Prize	2,456	275	2,731
Cecil C. Richards Memorial Award	5,000	2,295	7,295
Mrs. Natalie Riedle Endowment Fund	84,434	9,593	94,027

Schedule 31 **Trusts and Endowments** *(Page 9)*

	Capital Account	*Current Account*	*Total*
Mrs. Ethel Roberts Memorial Prize	$ 1,370	$ 316	$ 1,686
Arlene Meredith Roberts and Dr. T. J. Speakman Memorial Research Fund	2,000	240	2,240
Mary L. Robertson Memorial Scholarship	1,800	212	2,012
Esther Robinson Scholarship	4,000	468	4,468
Rockefeller Foundation Fund	244,363	580,925	825,288
Maysie Roger Memorial Fund	7,455	865	8,320
Arnold G. Rogers Medical Library Fund	9,186	980	10,166
Patricia Ruth Rogers Music Award	2,000	233	2,233
Dr. Sydney L. Rogers Scholar Fund	3,050	669	3,719
Phyllis May Rolfe Bursary		448	448
The Dr. Nelles Rollins Memorial Bursary	8,000	3,173	11,173
Elizabeth Lewis Rose Memorial Book Prize in Foods and Nutrition	697	78	775
Mark Rose Memorial Book Prize in Pharmacy	697	78	775
Dr. Charlotte W. Ross Memorial Prize and Gold Medal	5,534	2,145	7,679
John L. Ross, Q.C. Moot Competition Travel Award	7,950	1,255	9,205
A. Allyn Rossen Award for Proficiency in Cardiovascular Investigation	6,788	1,580	8,368
Dr. & Mrs. Victor Rosenfield Fund	2,746	322	3,068
Nathan Rothstein Prize	1,344	306	1,650
Nathan Rothstein Prize in Film Studies	3,303	367	3,670
Kenneth Roulston Memorial Scholarship	6,429	1,169	7,598
Royal Air Force Auxiliary Memorial Scholarship	2,837	332	3,169
Antoni and Helen Rudan Memorial Scholarship	2,372	392	2,764
J. B. Rumberg Memorial Fund	1,481	169	1,650
John A. Russell Alumni Bursary	17,956	3,968	21,924
Bernice W. Safeer Prize	1,397	157	1,554
Rachel & Isaac Sair Scholarship	5,595	1,195	6,790
Dr. and Mrs. H. H. Saunderson Award Fund	55,249	10,217	65,466
Dr. H. H. Saunderson Award in Dentistry	5,591	628	6,219
The Anastasia Sawula Prize	1,518	173	1,691
School of Art Scholarship Fund	2,952	328	3,280
School of Physical Education Memorial Award		685	685
Abraham Schwartz Estate of	1,035	116	1,151
Bernard C. Schwartz Scholarship	28,330	3,453	31,783
Fredrick Otto Schwartz Medical Library Memorial Fund	5,362	601	5,963
Science Students' Association Bursary	6,655	758	7,413
Seagram Visiting Lecture Fund	10,000	1,216	11,216
Lord Selkirk Association of Rupertsland Memorial Scholarship	10,964	1,238	12,202
Dr. Sunil K. Sen Scholarship	1,332	153	1,485
Gladys Waldman Shaffer Memorial Bursary	2,500	580	3,080
Mr. and Mrs. Alexander Shack Prize in English	11,020	1,196	12,216
Philip Shane Memorial Bursary	9,313	1,080	10,393
Mr. and Mrs. J. D. Shanski Bursary	5,838	1,393	7,231
John Shanski Physical Education Bursary	6,000	708	6,708
John M. Sharp Memorial Fund	16,012	1,759	17,771
Clarence Bogardous Sharpe Memorial Scholarship	100,000	6,690	106,690
Dr. John P. Shaw Scholarship Fund	16,069	6,459	22,528
The Polly and George Sheps Prize	3,840	982	4,822
Dr. Alvin Shinoff Medal	1,658	222	1,880
W. H. Shinn Memorial Bursary	6,000	1,294	7,294
The Morris and Sarah Shnier Memorial Bursary	4,589	972	5,561
Mr. and Mrs. Max Shore Travelling Scholarship		11,938	11,938
Morris Shore Scholarship in Business Administration	10,813	1,247	12,060

Schedule 31 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Morris Shore Scholarship Fund	$ 4,701	$ 759	$ 5,460
Mr. and Mrs. S. Sigurdson Memorial Scholarship	2,607	534	3,141
Edwin Silver Scholarship		1,111	1,111
Rubin Simkin Fund	5,379	1,040	6,419
The Mr. and Mrs. Saul Simkin Bursary in Medicine	3,368	810	4,178
W. J. (Bill) Sinclair Memorial Award	1,000	2,419	3,419
Solomon Sinclair Endowment	2,500	14	2,514
The Robert Sirluck Scholarship in Canadian History	3,885	455	4,340
The Mr. and Mrs. J. Skaletar Memorial Scholarship	3,808	1,511	5,319
Mark Smerchanski Prize	775	197	972
Dr. Emanuel Snell Bursary	973	131	1,104
Dr. Elizabeth B. Smith Award	2,149	248	2,397
Grant Smith Memorial Bursary		225	225
The Society of Management Accountants of Manitoba Prize — Robert Syme Memorial Scholarship	5,323	613	5,936
Lieutenant Morris Soronow Memorial Scholarship	1,646	371	2,017
Lieutenant M. M. Soronow Memorial Prize	1,357	156	1,513
Mr. and Mrs. George Soudack Scholarship for the Humanities	3,415	401	3,816
Special Scholarships in Home Economics	15,205	1,525	16,730
Winthrop Spencer Scholarship Fund	5,503	1,712	7,215
Morton Stall Memorial Scholarship	2,615	307	2,922
Olive Beatrice Stanton Award for Excellence in Teaching	34,752	7,665	42,417
Estate of Esther R. Steele	27,731	3,486	31,217
The Dr. Jon Stefansson Memorial Scholarship	5,566	1,516	7,082
Veelia and Sharon Stern Memorial Award	9,995	1,141	11,136
A. M. Stewart Memorial Bursary	4,093	454	4,547
Paul Stewart Memorial Fund	938	364	1,302
Ronald K. Stewart-Hay Memorial Bursary	4,010	461	4,471
E. W. Stringham Award for Excellence in Animal Science	5,171	1,393	6,564
Student's Architectural Society Award	3,841	1,489	5,330
Summer Session Students' Council Memorial Bursary Fund	20,095	8,648	28,743
The Nathan Sures Scholarship	1,587	184	1,771
Edna Sutherland Bequest	15,935	15,847	31,782
David L. Swancar Memorial Fund for Legal Research	6,850	793	7,643
Robert Syme Memorial Fund	12,126	1,398	13,524
Wasyl Swystun Prize in Ukrainian Studies		1,030	1,030
Sam and Mary Szach Bursary	5,000	1,142	6,142
Hon. Mr. Justice Tarnopolsky	3,121	253	3,374
Lawrence Tapper Prize in Accounting	526	60	586
Dallas Taylor Memorial Prize	2,066	233	2,299
Dr. Ellen Fraser Taylor Faculty of Medicine Development Fund	151,662	98,163	249,825
Nena Tessler Memorial Bursary	4,855	557	5,412
E. J. Thomas Prize	2,113	229	2,342
The Rhys Thomas Memorial Prize in Music	694	82	776
W. W. Thomson Scholarship Fund	15,210	1,660	16,870
Ernest Payson Thompson Memorial Bursary Fund	4,975	1,082	6,057
Elizabeth and Robert Tibbs Memorial Bursary	2,481	794	3,275
John R. Troniak Memorial Award Fund	6,580	768	7,348

Schedule 31 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Dr. J. R. Trott Memorial Fund	$	$ 5,629	$ 5,629
Alfred Rea Tucker Memorial Scholarship	63,850	7,353	71,203
Bessie Turner Memorial Prize	1,371	154	1,525
The Frederick W. Tuxworth Bursary	12,104	1,391	13,495
U. of M. Football Scholarship Fund		34,296	34,296
U. of M. Hockey Scholarship Fund		22,318	22,318
U. of M. Swim Team		24	24
University Fund for Property Replacement	53,925	26,952	80,877
University Sale of Land		45,980	45,980
University Women's Club of Winnipeg Scholarship in Nursing	2,569	569	3,138
Jack S. Verner Memorial Scholarship	4,293	507	4,800
Vineberg Research Prize in Psychology	1,052	119	1,171
Garson N. (Gerry) Vogel Memorial Award	5,266	1,539	6,805
Christian Walker Memorial Bursary	16,528	3,184	19,712
Norma E. Watts Walker Award	2,756	612	3,368
Wallace and Akins Limited Bursary	12,063	1,387	13,450
Professor Sidney Warhaft Memorial Fund	8,973	1,025	9,998
Dr. L. A. H. Warren Chair in Actuarial Science	364,565	28,133	392,698
Samuel Weiner Memorial Fund	40,796	7,697	48,493
H. E. Welch Award of Excellence in Zoology	819	296	1,115
The Helga Nielson Westdal Memorial Bursary	3,092	361	3,453
Digby Wheeler Radiological, Educational and Fellowship Trust	514,680	721,586	1,236,266
Isabel Wettlaufer Scholarship		1,096	1,096
Doris Irene Wilton Memorial Scholarship	12,080	668	12,748
Kathy Windsor Memorial Bursary	12,627	1,402	14,029
Dr. S. J. Winkler Memorial Award	4,304	610	4,914
Winnipeg Branch — Canadian Physiotherapy Association Loan Fund	298	1,168	1,466
Winnipeg Dental Society — Dentistry Research Fund	3,500	2,760	6,260
Winnipeg Women's Air Force Auxiliary Memorial Bursary	5,058	1,292	6,350
J. Wolinsky Scholarship	9,814	1,008	10,822
Jack Woodhouse Memorial Bursary Fund	2,467	288	2,755
Morgan W. Wright Clinical Psychology Award		1,597	1,597
Don Wright Scholarships in Music	14,324	1,652	15,976
A Yaciw Fund for Ukrainian Studies	20,000	2,714	22,714
Philip Yaffe Memorial Prize	3,765	366	4,131
Dr. A. A. Yauniskis Memorial Scholarship Fund	11,187	1,328	12,515
Dr. Tet Pin Yong Award in Undergraduate Surgery	2,279	246	2,525
Sarah Zarow Prize in Prosthodontology		579	579
Mary and Joe Zeal Prize	1,167	304	1,471
Pauline and Samuel Zinman Prize in Constitutional Law	1,338	205	1,543
Zonta Club of Winnipeg Bursary	5,174	595	5,769
Development Fund:			
Unrestricted	65,435		65,435
Faculty of Agriculture	28,448	964	29,412
Faculty of Architecture	20	1	21
Faculty of Arts	1,023	36	1,059
Faculty of Science	33,768	1,435	35,203
Faculty of Management	1,498	76	1,574
Faculty of Dentistry	5,859	144	6,003
Faculty of Education	8,230	151	8,381
Faculty of Engineering	10,914	223	11,137
Faculty of Human Ecology	8,262	346	8,608
Faculty of Law	549		549
Faculty of Medicine	40,739	546	41,285
Faculty of Pharmacy	1,122	20	1,142

Schedule 31 Trusts and Endowments

	Capital Account	*Current Account*	*Total*
School of Art	$ 447	$ 14	$ 461
School of Music	1,064	6	1,070
Library Acquisitions	2,966	86	3,052
General Endowment	4,004	145	4,149
Scholarships	2,474	94	2,568
Fellowships	274	2	276
Research	922	19	941
Equipment	351	8	359
Support Staff Projects	2,901	61	2,962
Landscaping (University)	2,069	45	2,114
Health Sciences Learning Resource Centre	328,860	6,427	335,287
University Hall	3,164	110	3,274
Continuing Education	1,198	11	1,209
Faculty of Management Student Placement	2,160	126	2,286
Earth Science	3,521	82	3,603
St. Paul's College	3,113	94	3,207
St. John's College	787	21	808
Suspense	650		650
Library Endowment	742	4	746
	10,984,404	6,219,799	17,204,203
Less: Loans to Students and Staff, Contra	4,767	108,496	113,263
Subtotal: The University Investment Trust Fund,	10,979,637	6,111,303	17,090,940
Specific Trusts:			
Administrative Studies Associates Fund	$	$ 474,593	$ 474,593
Administrative Transport Building		1,006	1,006
Tim Black Memorial Award	1,000	271	1,271
Estate of Gertrude E. Childs	6,075	1,323	7,398
Joseph Doupé Building Fund		290,123	290,123
Lawrence Genser Music Scholarship	9,883	943	10,826
Hamilton Memorial Research Scholarship	20,000	3,914	23,914
Dr. Ellis J. Jarjour Fund	1,000	71	1,071
Maclachlan Charitable Trust Fund	150,000	112,147	262,147
Dr. Lorne E. MacLachlan Educational Endowment Fund	50,000	5,282	55,282
Manitoba Medical College	78,014	16,761	94,775
Archie Micay QC Award	5,400	241	5,641
Mr. Justice & Mrs. I. Nitikman Prize	2,000	281	2,281
H. E. Sellers Chair of Medicine	1,477,000	96,532	1,573,532
Leslie Michael Shelton Memorial Scholarship	9,100	4,442	13,542
Unemployment Insurance Premium Reduction Fund		383,000	383,000
University of Manitoba Students' Union — University Centre Building Fund		103,183	103,183
Dr. Max Wachnow Orthodontic Scholarship	7,500	2,853	10,353
	1,816,972	1,496,966	3,313,938
Loans to Students and Staff Made from Trust and Endowments Participating in the University Investment Trust Fund, Contra	4,767	108,496	113,263
Subtotal: Specific Trusts and Endowments,	1,821,739	1,605,462	3,427,201
Total Trusts and Endowments, Schedule 15	$12,801,376	$ 7,716,765	$20,518,141

Manitoba

THE UNIVERSITY OF MANITOBA PENSION PLANS

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A, B, C and D and Schedule 1, of The University of Manitoba Pension Plans, being the University of Manitoba Pension Plan (1970) and The University of Manitoba G.F.T. Pension Plan (1986), for the fiscal year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The University of Manitoba Pension Plans as at December 31, 1986 and the results of their operations for the year then ended in accordance with the accounting policies stated in notes 1 and 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

May 13, 1987,
Winnipeg, Manitoba.

Statement A

THE UNIVERSITY OF MANITOBA
PENSION PLANS

Balance Sheet
As at December 31, 1986
(with 1985 figures for comparison)

	1986	1985
ASSETS		
Held by Assurance Company (Schedule 1)(Note 2)	$ 14,821,621	$ 12,549,200
Held by Trust Company (Schedule 1)(Note 2)	211,429,236	185,466,112
TOTAL	$226,250,857	$198,015,312
CONTRIBUTION ACCOUNTS AVAILABLE FOR BENEFITS		
The University of Manitoba Pension Plan (1970)		
Members:		
Regular	$ 97,252,257	$ 93,565,374
Voluntary	5,099,871	4,686,996
	102,352,128	98,252,370
University:		
Regular	93,574,498	89,960,084
General	11,226,485	9,802,858
	104,800,983	99,762,942
	207,153,111	198,015,312
The University of Manitoba G.F.T. Pension Plan (1986)		
Members:		
Regular	8,629,062	
Voluntary	1,206,370	
	9,835,432	
University:		
Regular	9,262,314	
	19,097,746	
TOTAL	$226,250,857	$198,015,312

(The accompanying Notes, pages 1 to 6, and Schedule form an integral part of the Financial Statements)

Statement B

THE UNIVERSITY OF MANITOBA
PENSION PLAN (1970)

Statement of Pension Plan Contribution Accounts
For the year ended December 31, 1986
(with 1985 figures for comparison)

	Members Accounts		University Accounts			
	Regular	Voluntary	Regular	General	Total 1986	Total 1985
ADDITIONS						
Contributions:						
Members, Regular	$ 5,940,536	$	$	$	$ 5,940,536	$ 6,290,952
Members, Voluntary		817,023			817,023	974,499
University, Regular			5,940,536		5,940,536	6,290,952
Transfers from other Plans	30,181	2,974	30,181		63,336	91,046
Withdrawal Credits				341,524	341,524	295,022
Special Payment (Note 8)						475,000
	5,970,717	819,997	5,970,717	341,524	13,102,955	14,417,471
Investment Income (Statement D)	11,890,161	586,613	11,414,440	1,368,005	25,259,219	33,316,839
	17,860,878	1,406,610	17,385,157	1,709,529	38,362,174	47,734,310
DEDUCTIONS						
Transfer G.F.T. Pension Plan (1986) (Note 4)	7,747,219	594,706	7,634,077	6,863	15,982,865	
Benefits:						
Retirements	4,896,253	323,709	4,660,279		9,880,241	6,023,990
Deaths	578,293	36,666	525,703		1,140,662	127,519
Transfers to other Plans	472,812	38,654	472,557		984,023	1,439,184
Deferred and other Annuities	196,565		196,883		393,448	623,924
Refunds	282,853		281,244		564,097	589,122
Supplementary Pensions (Note 6 (iii))				279,039	279,039	254,188
	14,173,995	993,735	13,770,743	285,902	29,224,375	9,057,927
NET INCREASE FOR THE YEAR	3,686,883	412,875	3,614,414	1,423,627	9,137,799	38,676,383
BALANCE AT JANUARY 1	93,565,374	4,686,996	89,960,094	9,802,858	198,015,312	159,338,929
BALANCE AT DECEMBER 31	$ 97,252,257	$ 5,099,871	$ 93,574,498	$ 11,226,485	$207,153,111	$198,015,312

(The accompanying Notes, pages 1 to 6, and Schedule form an integral part of the Financial Statements)

STATEMENT C

THE UNIVERSITY OF MANITOBA
G.F.T. PENSION PLAN (1986)
Statement of Pension Plan Contribution Accounts
For the year ended December 31, 1986

	Members Accounts		University	
	Regular	Voluntary	Regular	Total
ADDITIONS	$	$	$	$
Contributions:				
Members, Voluntary		177,790		177,790
University			741,645	741,645
Transfers from other Plans		367,141		367,141
Transfer from Pension Plan (1970) (Note 4)	7,747,219	594,706	7,640,940	15,982,865
	7,747,219	1,139,637	8,382,585	17,269,441
Investment Income (Statement D)	1,078,950	84,824	1,091,328	2,255,102
	8,826,169	1,224,461	9,473,913	19,524,543
DEDUCTIONS				
Benefits:				
Transfers to other Plans	186,743	18,091	199,773	404,607
Refunds	10,364		11,826	22,190
	197,107	18,091	211,599	426,797
BALANCE AT DECEMBER 31	$8,629,062	$1,206,370	$9,262,314	$19,097,746

(The accompanying Notes, pages 1 to 6, and Schedule form an integral part of the Financial Statements)

STATEMENT D

THE UNIVERSITY OF MANITOBA
PENSION PLANS

Statement of Investment Income
For the year ended December 31, 1986
(with 1985 figures for comparison

	1986	1985
ADDITIONS		
Assurance Company Deposits and Pooled Funds	$ 1,717,437	$ 1,106,960
Interest:		
Cash Balances	21,354	(12,452)
Short Term Notes	1,362,072	606,225
Mortgages	104,079	254,055
Government and Corporate Bonds	9,309,342	8,413,772
Dividends:		
Stock - Canadian	1,932,454	2,721,131
Stock - Foreign	651,936	515,272
Canadian Pooled Pension Equity Fund		27,766
Real Estate	143,475	
Net Increase in accrued income at December 31	258,298	686,128
	15,500,447	14,318,857
Adjustments:		
Net realized gain on sale of securities	11,047,853	8,262,606
Adjustment of book values to market values for stocks and real estate pooled funds held by Trust Company	1,189,480	10,555,539
Amortization of bond discount (Note 2)	337,865	610,508
	12,575,198	19,428,653
	28,075,645	33,747,510
DEDUCTIONS		
Administrative Expenses:		
External Agencies' management fees	450,560	322,009
University of Manitoba administration charge	110,764	108,662
	561,324	430,671
INVESTMENT INCOME AVAILABLE FOR ALLOCATION	27,514,321	33,316,839
ALLOCATED TO:		
The University of Manitoba Pension Plan (1970) (Statement B)	25,259,219	33,316,839
The University of Manitoba G.F.T. Pension Plan (1986) (Statement C)	2,255,102	
	$ 27,514,321	$ 33,316,839

(The accompanying Notes, pages 1 to 6, and Schedule form an integral part of the Financial Statements)

THE UNIVERSITY OF MANITOBA
PENSION PLANS

Notes to the Financial Statements
December 31, 1986

ACCOUNTING POLICIES

1. The annual financial statements of the University of Manitoba Pension Plans, being the University of Manitoba Pension Plan (1970) and the University of Manitoba G.F.T. Pension Plan (1986), are prepared on a cash basis, modified to include investment income on an accrual basis. The financial statements do not take into account actuarial valuations and therefore do not reflect the financial position of the Plans on an actuarial valuation basis.

2. For the purpose of preparing the financial statements and calculating the investment income to be distributed to the Contribution Accounts, the following basis of valuing assets is used:

   Held by Trust Company:

   Short Term Investments and Mortgages at cost.

   Bonds at cost adjusted for amortization of premiums and discounts in excess of one percent of par on a straight line basis to December 31 preceding the maturity date.

   Stocks and Real Estate Pooled Fund at market.

   Held by Assurance Company:

   Investments of the pooled funds are valued at market.

GENERAL COMMENTS

3. For the purpose of allocating investment income to the contribution accounts the investment income is determined quarterly. Investment income for a quarter consists of actual and accrued income and realized and unrealized capital gains or losses, except for unrealized capital gains or losses on bonds or mortgages. Actual and accrued expenses chargeable to the Plans are deducted before any distribution is made. Net investment income is distributed pro-rata to all accounts based on the number of units held by such accounts at the beginning of the quarter.

THE UNIVERSITY OF MANITOBA
PENSION PLANS

Notes to the Financial Statements
December 31, 1986

4. The University of Manitoba G.F.T. Pension Plan (1986) was established effective January 1, 1986 for staff members employed as Geographical Full-Time Staff of the Faculty of Medicine. The transfer represents the sum of the amounts described in the Memorandum of Agreement and Release signed by eligible staff members who had previously contributed to the University of Manitoba Pension Plan (1970). The transfer of liability from the University of Manitoba Pension Plan (1970) to the University of Manitoba G.F.T. Pension Plan (1986) terminated the staff member's membership in the former Plan. The establishment of the separate Plan did not involve any separation of assets.

5. The University of Manitoba Pension Plans are Trusteed Plans. The assets are held in the name of The Trustees of The University of Manitoba Pension Plan (1970). There are seven Trustees, one appointed by the Board of Governors of the University of Manitoba and six elected by the contributors to the Pension Plans from within the Plan membership. The University of Manitoba administers the Pension Plans under the terms of an agreement entered into with the Trustees dated December 31, 1973.

6. The University of Manitoba Pension Plan (1970)

   (i) Membership in the Plan is a condition of employment for staff members with a full-time continuing appointment, other than staff members eligible for membership in the University of Manitoba G.F.T. Pension Plan (1986). Part-time staff who meet specified requirements are eligible to become members of the Plan. Part-time staff employed for at least three years on a sessional basis or at least 50 percent of the standard worktime during each pay period must participate in the Plan. Staff appointed on or after January 1, 1984 who meet the employment and earnings requirement of the Pension Benefits Act of the Province of Manitoba must also participate in the Plan. The requirement is employment during two consecutive calendar years, in each of which basic salary has been at least equal to 25 percent of the Canada Pension Plan Maximum Pensionable Earnings for that calendar year. Any part-time staff member employed for at least two consecutive years may elect to be a member of the Plan.

(ii) The Plan provides that each Member shall have:

(a) an Employee Contribution Account which is credited with the Member's contributions and the account's share of investment income,

(b) a University Contribution Account which is credited with contributions equal to the Member's regular contributions and the account's share of investment income.

At retirement the proceeds of the Member's two accounts are applied to purchase an annuity based on the election made by the Member. This is referred to as the Member's Basic Pension or Money Purchase Pension. The Plan provides that a Member will receive a minimum pension based on an approved formula encompassing the average of the Member's best five years. basic salary and years of service. To the extent that a Member's Money Purchase Pension is less than the guaranteed amount, the Member will receive a Supplementary Pension to increase the pension to the required level.

On termination of employment other than by retirement, a Member may elect to:

- have the proceeds of the two accounts either applied to purchase an annuity, or be transferred to another Registered Employee Pension Plan, or, provided the administrator of the Plan agrees to administer the Plan in accordance with the provision of the Pension Benefits Act of the Province of Manitoba, to a Registered Retirement Savings Plan or,
- receive a cash payment of their Employee Contribution Account excluding any portion thereof, which is subject to the locking-in requirements of the Pension Benefits Act of the Province of Manitoba. The locking-in applies equally to the University Contribution Account.

The benefit on death prior to retirement is equal to the Member's Contribution Accounts except for the Member's University Contribution Account, contributions and earnings, between April 1, 1979 and December 31, 1984.

(iii) Since 1970, the Supplementary Pension payments have been made from the University General Account . Funds for the University General Account normally originate from the following:

(a) that portion of a Member's University Contribution Account which is forfeited when a terminating Member elects a cash settlement of his or her pension accumulation,

(b) the annual payment required to amortize the unfunded liability of the Plan, as established by the University's actuary, paid into the University General Account by the University from its Fund Account for Benefit Improvement and Maintenance,

(c) pro-rata share of net investment income.

7. The University of Manitoba G.F.T. Pension Plan (1986)

(i) Membership in the Plan is a condition of employment for staff members of the Faculty of Medicine who sign a Geographical Full-Time Agreement.

(ii) The Plan provides that each Member shall have:

A University Contribution Account which is credited with the University's regular contribution and share of investment income.

This account for any Member who was a Member of the University of Manitoba Pension Plan (1970) includes the University Contribution Account transferred from that Plan. Such Member also has an Employee Contribution Account which is credited with the Employee Contribution Account transferred and share of investment income.

At retirement the proceeds of the Member's account(s) are applied to purchase an annuity based on the election made by the Member. This is referred to as the Member's Basic Pension or Money Purchase Pension.

On termination of employment other than by retirement, a Member may elect to:

- have the proceeds of the account(s) either applied to purchase an annuity, or be transferred to another Registered Employee Pension Plan, or, provided the administrator of the Plan agrees to administer the Plan in accordance with the provision of The Pension Benefits Act of the Province of Manitoba, to a Registered Retirement Savings Plan.

A Member who had contribution accounts transferred from The University of Manitoba Pension Plan (1970) may elect to receive in lieu of the above:

- a cash payment of their Employee Contribution Account excluding any portion thereof, which is subject to the locking-in requirements of the Pension Benefits Act of the Province of Manitoba. This component as well as the component of the University Contribution Account which is subject to the lock-in will be applied to provide income at retirement.

The benefit on death prior to retirement is the total of the Account(s) except that amount, if any, represented by the Member's University Contribution Account, contribution and earnings, between April 1, 1979 and December 31, 1984.

8. An actuarial valuation of the University of Manitoba Pension Plan (1970) was completed during 1986 as of December 31, 1985. The valuation reported that the Plan was fully funded with no requirement for special payments. The Valuation Report has been filed with and approved by The Manitoba Pension Commission. The next valuation of the Plan will be undertaken as of December 31, 1987.

9. The year-end market value of mortgages and of bonds is disclosed as supplementary information only. Market value for mortgages and bonds is not used in the determination of investment income. The market figures shown for mortgages and for bonds were taken from the investment summaries provided by the custodian, Canada Trust Company.

THE UNIVERSITY OF MANITOBA
PENSION PLANS

Notes to the Financial Statements
December 31, 1986

10. Comparative figures for the year ended December 31, 1985 have been restated where appropriate to conform with the presentation adopted for December 31, 1986.

Schedule 1

THE UNIVERSITY OF MANITOBA PENSION PLANS
Assets at December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Held by Assurance Company; Market Value (Statement A)(Note 2)		
Transaction Account	$ 364,303	$ (568,055)
Money Market Fund	2,248,985	8,881,814
Deposit Fund		4,235,441
Mortgage Fund	3,448,496	
Bond Fund	1,434,097	
Canadian Equity Index Fund	4,742,547	
Foreign Equity Fund	1,387,828	
Real Estate Fund	1,195,365	
	14,821,621	12,549,200
Held by Trust Company (Statement A)(Note 2)		
Cash and Short Term Notes	17,313,744	14,991,272
Bonds - Canada, Provincial and Provincial Guaranteed, at amortized cost (Note 9) (Market, 1986 - $72,712,724; 1985 - $69,405,519)	66,868,262	64,370,697
Bonds - Corporate, at amortized cost (Note 9) (Market, 1986 - $30,144,116; 1985 - $15,680,851)	29,563,384	15,197,432
Stocks - Canadian, at market value (Cost, 1986 $54,554,396; 1985 - $52,355,646)	68,928,248	66,873,026
Stocks - Foreign, at market value (Cost, 1986 - $16,919,771; 1985 - $14,218,965)	22,310,428	18,286,662
Real Estate - Pooled Fund, at market value (Cost 1986 $2,668,235; 1985 $2,000,000)	2,893,088	2,100,000
Mortgages (Market 1986 $655,568; 1985 $1,030,819)(Note 9)	639,558	992,797
Accrued Interest and Dividends Receivable	2,912,524	2,654,226
	211,429,236	185,466,112
TOTAL, Statement A	$226,250,857	$198,015,312

Manitoba

UNIVERSITY OF MANITOBA RESEARCH LTD.

Report of the Provincial Auditor's Office

We have examined the Balance Sheet of University of Manitoba Research Ltd. as at March 31, 1987, and the Statements of Operations and Deficit and Changes in Cash Resources for the seven month period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at March 31, 1987 and the results of its operations and the changes in its cash resources for the 7 month period then ended in accordance with the accounting policies set out in note 2 to the financial statements.

Fred W. Jackson

F. H. Jackson, CA
Provincial Auditor

June 5, 1987
Winnipeg, Manitoba

UNIVERSITY OF MANITOBA RESEARCH LTD.
Balance Sheet
As at March 31, 1987

ASSETS

Current Assets:	
Cash and Bank	$ 14,737
Accounts Receivable	142,094
Accrued Revenue	49,907
	$206,738
Fixed Assets:	
Furniture and Equipment	$ 1,685
Computer Equipment	16,042
	$ 17,727
Less: Accumulated Depreciation	2,585
	$ 15,142
	$221,880

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:	
Accounts Payable	$137,803
Deferred Revenue	6,855
	$144,658
Shareholders' Equity:	
Capital Stock:	
Authorized:	
200 Class I Common Shares	
Unlimited Class A non-cumulative, non-participating, Preferred shares, redeemable at $100	
Issued:	
200 Class I Common Shares	$ 200
Contributed Surplus (Note 4)	100,000
Deficit	(22,978)
	$ 77,222
	$221,880

UNIVERSITY OF MANITOBA RESEARCH LTD.
Statement of Operations and Deficit
For the Seven Months Ended March 31, 1987

Revenue	
Contract Revenue	$265,543
Investment Income	1,268
	$266,811
Expenses	
Accounting and Legal	$ 2,748
Advertising	9,968
Computer Expenses	2,898
Consulting Fees	20,700
Courier and Delivery	1,068
Depreciation	2,585
Duplicating	2,726
Interview Fees	5,025
Maintenance and Repairs	427
Memberships	1,308
Office expenses	19,052
Postage and Mailing	6,768
Rent	8,050
Salaries, Wages and Benefits	193,316
Telephone	7,876
Travel and Business Promotion	5,274
	$289,789
Loss for the period, and deficit	$(22,978)

UNIVERSITY OF MANITOBA RESEARCH LTD.
Statement of Changes in Cash Resources
For the Seven Months Ended March 31, 1987

CASH USED IN OPERATING ACTIVITIES:	
Loss for the period	$(22,978)
Add back depreciation which does not require a current outlay of cash	2,585
	$(20,393)
Net change in non-cash working capital balances related to operations	(47,343)
Cash used in operating activities	$(67,736)
CASH USED IN INVESTMENT ACTIVITIES:	
Purchase of fixed assets	$(17,727)
Cash used in investment activities	$(17,727)
CASH PROVIDED BY FINANCING ACTIVITIES:	
Issue of capital stock	$ 200
Receipt of contributed surplus	100,000
Cash provided by Financing Activities	$100,200
Net increase in cash resources during the period	$ 14,737

UNIVERSITY OF MANITOBA RESEARCH LTD.
Notes to Financial Statements
For the Seven Months Ended March 31, 1987

1. Status and Nature of the Corporation

University of Manitoba Research Ltd. was incorporated as a wholly-owned subsidiary of the University of Manitoba in 1984. The Company was activated in August 1986 through the establishment of a Social Sciences Division.

The Social Sciences Division of The Company conducts primarily contract research and survey research in the social sciences for private and public enterprise.

The University of Manitoba Research and Development Corporation, a wholly-owned subsidiary of the Company, is inactive.

2. Significant Accounting Policies

(a) The financial statements have been prepared on the accrual basis.

(b) Recognition of Revenue:

Contract revenue is recognized using the percentage of completion method.

(c) Fixed Assets:

The Company provides for depreciation on fixed assets in order to amortize the cost of the assets over their useful lives.

Computer Equipment	25% per annum straight line
Furniture and Equipment	25% per annum straight line

3. Services Provided by the University of Manitoba

The University of Manitoba provides the services of senior officers of the company and other miscellaneous administrative services at no charge to the company.

4. Contributed Surplus

The University of Manitoba provided $100,000 in start-up funding from the University's Trust and Endowment Fund.

Manitoba

THE UNIVERSITY OF WINNIPEG

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements I and II and Schedules 1 to 11, of The University of Winnipeg for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The University of Winnipeg as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in the Summary of Accounting Principles and Practices applied, except for the change in the method of recording of Collegiate student fees and residence fees as explained in note 13, on a basis consistent with that of the preceding year.

J. W. Singleton, CA,
Assistant Provincial Auditor.

June 11, 1987,
Winnipeg, Manitoba.

SUMMARY OF ACCOUNTING PRINCIPLES AND PRACTICES

A These financial statements have been prepared in accordance with generally accepted accounting principles for universities.

B The University employs fund accounting procedures in order to recognize restrictions placed upon the use of resources. Two funds are maintained - the Operating Fund and the Trust and Endowment Fund. However, to provide a total presentation for the University, these funds have been combined in the Statement of Financial Position.

C The Operating Fund contains the following fund account balances which reflect the various separately financed functions recognized by the Board of Regents within the University:

University - the general operating income and expenditure of the University.

Collegiate - income and expenditure of the Collegiate Division.

Ancillary Services - the operations of the bookstore, residences, food services and parking.

Sponsored Research - income and expenditure from sponsored research.

Capital - expenditures primarily funded by government capital grants.

Special Provisions - appropriations of fund account balances made by the Board for specific purposes.

D The Trust and Endowment Fund contains donations and bequests which may have restrictions on their use. Unless specified to the contrary, all funds are pooled for investment purposes and the resulting income is distributed to the individual accounts.

E These financial statements are prepared on an accrual basis, with the exception of Student Fees - Regular and Other, for which the portion relating to the period after 31 March is not deferred, and the government grant to the Collegiate Division, which is taken into income for the year ended 31 March.

F Capital expenditures are recorded during the year in the fund account from which they were made. At the fiscal year-end non replacement purchases are added both to the appropriate fixed asset account and to the offsetting account for investment in fixed assets. For replacement purchases, the cost is left at the amount recorded for the original assets. Accounts are reduced by the proceeds from the sale of assets, with any balance of the cost remaining in these accounts. No depreciation is charged.

G Equipment and renovation expenditures are charged to the departments incurring them, unless the expenditures are funded out of provincial miscellaneous capital grants or out of the Trust and Endowment Fund in which case the expenditures appear in the Capital Fund Account or in the Trust and Endowment Fund respectively.

H Assets being acquired under capital leases are not included in fixed assets until the option to purchase has been exercised.

THE UNIVERSITY OF WINNIPEG
STATEMENT OF FINANCIAL POSITION
as at 31 March 1987
(with comparative figures for 1986)

ASSETS

	1987 $000	1986 $000
Cash	$ 177	$ 166
Investments (Note 1 & Schedule 1)	2,340	2,095
Provincial Grants Receivable	134	67
Accounts Receivable & Prepaid Expenses (Note 2)	666	712
Inventory (Note 3)	357	296
	3,674	3,336
Investments Held for Trust and Endowment Fund (Note 1, Schedule 1)	5,512	5,349
Fixed Assets: (Note 4)		
Buildings and Sites	46,096	45,801
Equipment and Furniture	9,263	8,178
Library Books	6,786	6,276
	62,145	60,255
	$71,331	$68,940

Approved by the Board of Regents

V. E. Candlish
Chairman

R. P. Purves
Chairman, Finance Committee

Statement I

LIABILITIES

	1987 $000	1986 $000
Accounts Payable	$ 1,731	$ 1,477
Deferred Income	398	502
Funds Held for Special Purposes	133	123
	2,262	2,102
Mortgage Payable (Note 5)	558	567
Fund Balances: (Statement II)		
Operating Fund		
University	78	97
Collegiate	72	226
Ancillary Services	330	217
Sponsored Research	227	224
Special Provisions	532	397
	1,239	1,161
Trust and Endowment Fund	5,759	5,496
	6,998	6,657
Investment in Fixed Assets (Schedule 2)	61,513	59,614
	$71,331	$68,940

See Summary of Accounting Principles and Practices
and the Accompanying Notes and Schedules.

THE UNIVERSITY OF WINNIPEG
STATEMENT OF CHANGES IN FUND BALANCES
for the year ended 31 March 1987
(with comparative figures for 1986)

	-OPERATING FUND-		
	University $000 (Schedules 4 & 5)	Collegiate $000 (Schedule 6)	Ancillary Services $000 (Schedule 7)
Income:			
Government Grants	$17,452	$ 422	$
Student Fees	6,206	1,182	
Gifts, Grants & Bequests	87		
Investment Income	202		
Other Income	1,088	202	1,884
	25,035	1,806	1,884
Expenditure:			
Academic	15,596	1,094	
Research	74		
Library	1,773	16	
Academic Support	1,173		
Student Services & Awards	793	27	
Administration & General	2,877	98	
Plant Maintenance	2,449	49	
Other Expenditure	346	233	1,771
Equipment & Renovations	344	93	
Buildings and Sites			
	25,425	1,610	1,771
Interfund Transfers (Schedule 3)	156		
Net Change before Appropriations	(234)	196	113
Appropriations to Special Provisions	215	(350)	
Net Change for Year	(19)	(154)	113
Balances Beginning of Year	97	226	217
Balances End of Year, Statement I	$ 78	$ 72	$ 330

Statement II

OPERATING FUND			TRUST and ENDOWMENT FUND	TOTAL	
Sponsored Research $000 (Schedule 8)	Capital $000 (Schedule 9)	Special Provisions $000 (Schedule 10)	$000 (Schedule 11)	1987 $000	1986 $000
$	$675	$	$	$18,549	$17,819
				7,388	6,420
1,074			469	1,630	1,701
			407	609	709
	18		219	3,411	2,634
1,074	693		1,095	31,587	29,283
				16,690	15,364
1,189				1,263	1,291
			28	1,817	1,753
				1,173	1,151
			354	1,174	1,156
				2,975	2,744
				2,498	2,441
	40		162	2,552	2,094
	635			1,072	582
	32			32	304
1,189	707		544	31,246	28,880
118	14		(288)		
3			263	341	403
		135		-	
3	-	135	263	341	403
224		397	5,496	6,657	6,254
$ 227	-	$532	$5,759	$ 6,998	$ 6,657

See Summary of Accounting Principles and Practices
and the Accompanying Notes and Schedules.

Notes to the Financial Statements

1. Investments

Investments are recorded at cost. The Operating Fund's investments comprise short-term notes whose market value approximates their cost. The aggregate market value of the Trust and Endowment Fund investment is $5,929,079 (1986 - $5,652,441).

2. Accounts Receivable

Student fees receivable form $74,714 (1986 - $102,340) of the accounts receivable balance, which also includes an allowance for doubtful accounts of $50,864 (1986 - $41,106).

3. Inventory

This balance comprises the Bookstore inventory of $303,089 (1986 - $260,241), and the Printing inventory of $53,934 (1986 - $36,554), both valued at the lower of cost or net realizable value.

4. Fixed Assets

The Fixed Assets are shown at the values established in the following appraisals with all subsequent additions recorded at cost, except for replacement purchases whose treatment is described in the Summary of Accounting Principles and Practices, Note F.

Land	Royal Trust Co.	31 March 1968
Buildings	National Appraisal Consultants Ltd.	31 March 1978
Equipment, Furniture and Library Books	General Appraisal Co.	21 February 1967

The balance for Buildings and Sites contains an amount of $74,071 which is not reflected in the offsetting Investment in Fixed Assets account. This comprises property acquisition costs during the period 1979 to 1984, for which government funding has not yet been received.

5. Mortgage Payable

This liability consists of:

Canada Mortgage and Housing Corporation
5 3/8% mortgage due 2 April 2012 $557,546 (1986 - $567,240).

The annual payments of $40,055 on the CMHC mortgage are financed by a special grant from the Provincial Government.

6. Interfund Balances

As of 31 March 1987, the Trust and Endowment Fund owed $120,994 (1986 - $86,187) to the Operating Fund.

7. Other Expenditure

Included in the expenditure totals on Statement II is an amount of $304,601 (1986 - $282,363) representing the Manitoba Health and Post Secondary Education Tax Levy.

8. Capital Lease

The University has under lease, with the option to purchase, approximately $173,000 (1986 - $490,000) of computer equipment. The latest lease expiry date is 31 March 1988. The leasing costs are charged to operating expenditure.

9. Property Taxes

Property taxes, except those on property held for future expansion and for investment, are not included in the accounts. The Province of Manitoba provides the City of Winnipeg with a grant in lieu of taxes for the University. The amount of this grant was $1,568,646 (1986 - $1,463,882).

10. Investment Income

The Trust and Endowment Fund investment income is shown net of administrative expenses. Net gains on sale of investments are shown as Other Income on Statement II.

11. University of Winnipeg Pension Plan

An actuarial valuation of the plan as at 31 December 1984 indicated a surplus of $190,000. However any unfunded liability that may arise from future valuations will have to be funded by the University, since this is a defined-benefit plan.

Certain additional pensions totalling $58,814 (1986 - $60,514) are paid out of the Operating Fund.

12. Faculty of Theology

Theology Income and Expenditures are now included in the University Fund for 1987 and for 1986. Funding from Unrestricted Trust Funds was not provided in 1987.

13. Change in Accounting Policy

The University changed its accounting policy for the recording of Collegiate student fees and residence fees to a cash basis for the year ended 31 March 1987. Previously, the portion of these fees relating to the period after 31 March, was deferred to the following fiscal year. The effect of this change, which has not been made retroactively, is to increase Collegiate student fees and net change before appropriation for the Collegiate by $66,048; to increase Ancillary Services - Other Income and net change before appropriation for Ancillary Services by $15,889; to decrease Deferred Income by $81,937 and to increase the Operating Fund - Collegiate by $66,048 and to increase the Operating Fund - Ancillary Services by $15,889 for the year ended 31 March 1987.

14. Reclassification of Comparative Figures

Certain 1986 comparative figures have been reclassified to conform with the financial presentation adopted for 1987.

Summary of Investments

Schedule 1

	31 March 1987		31 March 1986
	Market	Cost	Cost
Bonds and Debentures			
Government of Canada	$1,760,458	$1,702,098	$1,771,413
Provincial	176,546	169,706	262,442
Provincial Guaranteed	134,682	129,624	309,781
Corporate	1,087,919	1,063,529	724,519
	3,159,605	3,064,957	3,068,155
Stocks	1,804,009	1,494,471	1,324,345
Property	300,000	287,408	287,408
Term Deposits	3,005,179	3,005,179	2,763,096
Total Investments	$8,268,793	$7,852,015	$7,443,004

Held for:			
Operating Fund, Statement I	$2,339,714	$2,339,714	$2,094,433
Trust and Endowment Fund			
Mennonite Studies	751,040	678,508	686,884
Pooled	5,178,039	4,833,793	4,661,687
Statement I	5,929,079	5,512,301	5,348,571
Total Investments	$8,268,793	$7,852,015	$7,443,004

Investment in Fixed Assets Schedule 2

	31 March 1987	31 March 1986
Additions:		
Capital Fund Account		
Buildings and Sites	$ 31,668	$ 285,780
Equipment and Furniture	416,226	295,983
Renovations	7,735	60,501
Mortgage Principal Reduction	9,694	9,193
University Fund Account		
Buildings and Sites	4,427	
Equipment and Furniture	639,278	254,811
Library Books	509,622	471,637
Renovations	150,870	
Sponsored Research Account		
Equipment and Furniture	28,791	142,657
Trust and Endowment Fund		
Building and Sites	100,158	
	1,898,469	1,520,562
Balance Beginning of Year	59,614,529	58,093,967
Balance End of Year, Statement I	$61,512,998	$59,614,529

Interfund Transfers

Schedule 3

	-Operating Fund-			Trust and
	University	Sponsored Research	Capital	Endowment Fund
Other Income	$ 7,149	$	$	$ (7,149)
Research	(67,529)	118,297		(50,768)
Academic Expenditures	77,495			(77,495)
Administration and General Expenditures	139,057			(139,057)
Buildings and Sites			13,865	(13,865)
31 March 1987, Statement II	$156,172	$118,297	$13,865	$(288,334)
31 March 1986	$260,761	$ 70,800	$71,295	$(402,856)

University Income

Schedule 4

	1987	1986
Government Grants:		
Provincial		
Operating	$17,342,261	$16,575,271
Supplementary	99,269	128,428
Federal	10,432	103,056
	17,451,962	16,806,755
Student Fees:		
Regular	4,050,599	3,677,936
Spring and Summer	506,306	491,422
Non-Credit	658,480	397,491
Other	990,831	825,483
	6,206,216	5,392,332
Other Grants	86,600	78,300
Investment Income	202,452	210,815
Other Income:		
Contracts	1,062,502	703,218
Miscellaneous	25,466	37,495
	1,087,968	740,713
Total Income, Statement II	$25,035,198	$23,228,915

University Expenditures

	Academic Salaries	Support Salaries	Benefits
Faculty of Arts and Science			
Anthropology	$ 287,377	$ 19,011	$
Biology	778,541	44,813	
Chemistry	469,651	20,068	
Classics	177,485	694	
Economics	360,759	2,575	
Education	149,615	6,037	
English	860,903	8,849	
French	356,431	4,674	
Geography	767,454	10,354	
German	172,228	2,646	
History	1,015,846	4,855	
Mathematics	565,354	21,614	
Philosophy	366,508	4,080	
Physics	334,270	12,011	
Political Science	520,971	5,335	
Psychology	1,032,841	36,016	
Recreation & Athletics	172,979	2,580	
Religious Studies	197,850	1,590	
Sociology	825,485	27,607	
Theatre	347,716	6,629	
Summer and evening	598,824	18,346	
Graduate Studies		23,206	
Faculty Travel			
Dean's Office	212,545	862,309	
Benefits			937,759
	10,571,633	1,145,899	937,759
Faculty of Theology	126,884	21,074	16,363
Other Instruction			
Continuing Education	266,427	278,324	23,894
Contracts	203,268	341,258	27,549
	469,695	619,582	51,443
Mennonite Studies - funded from Trust and Endowment Fund	68,449		5,279
Total Academic	11,236,661	1,786,555	1,010,844
Research			
Sub-total	11,236,661	1,786,555	1,010,844

Schedule 5

Other		TOTAL	
Expense	Recoveries	1987	1986
$ 11,865	$	$ 318,253	$ 309,389
93,433	(300)	916,487	870,701
63,546	(1,825)	551,440	534,848
1,703		179,882	169,522
3,382		366,716	357,946
9,294		164,946	154,582
4,554		874,306	868,455
3,653		364,758	349,327
41,947		819,755	741,435
2,273		177,147	166,647
5,597		1,026,298	920,346
22,678		609,646	571,060
4,550		375,138	355,464
20,375		366,656	352,238
7,048		533,354	497,245
45,307		1,114,164	1,099,271
14,002		189,561	174,131
2,537		201,977	180,904
6,512		859,604	833,711
25,154		379,499	366,466
6,096		623,266	543,878
27,748		50,954	64,697
71,543		71,543	69,278
304,789		1,379,643	1,301,027
		937,759	864,796
799,586	(2,125)	13,452,752	12,717,364
73,463		237,784	217,410
241,213		809,858	560,140
446,049		1,018,124	736,104
687,262		1,827,982	1,296,244
3,767		77,495	77,031
1,564,078	(2,125)	15,596,013	14,308,049
74,300		74,300	133,500
1,638,378	(2,125)	15,670,313	14,441,549

University Expenditures

	Academic Salaries	Support Salaries	Benefits
Academic and Research - forward	11,236,661	1,786,555	1,010,844
Library		1,022,009	88,099
Academic Support			
Computing		279,076	27,590
Media		201,120	16,618
Technical Services		273,873	25,291
		754,069	69,499
Student Services & Awards			
Athletics		439,590	33,519
Counselling		188,547	16,743
		628,137	50,262
Administration and General			
Administration		772,786	123,990
Controller		505,852	48,210
Registrar		377,820	29,796
Printing		234,136	21,599
Community Relations		156,150	12,257
Development - funded from Trust and Endowment Fund		86,057	7,647
		2,132,801	243,499
Plant Maintenance			
Maintenance		866,430	96,616
Cleaning			
Repairs			
Utilities			
Insurance			
Security			
		866,430	96,616
Other Expenditure			
Equipment and Renovations			
TOTAL, Statement II	$11,236,661	$7,190,001	$1,558,819

Schedule 5

Other Expense	Recoveries	TOTAL	
		1987	1986
1,638,378	(2,125)	15,670,313	14,441,549
678,609	(15,780)	1,772,937	1,730,408
277,688	(26,460)	557,894	555,948
85,722	(15,541)	287,919	287,746
36,501	(8,421)	327,244	307,171
399,911	(50,422)	1,173,057	1,150,865
292,783	(175,788)	590,104	560,511
7,315	(9,972)	202,633	173,138
300,098	(185,760)	792,737	733,649
320,444	(104,795)	1,112,425	976,035
122,351	(76,980)	599,433	568,856
101,642		509,258	514,113
264,311	(292,875)	227,171	162,610
150,513	(7,275)	311,645	305,168
33,838	(10,000)	117,542	114,073
993,099	(491,925)	2,877,474	2,640,855
19,871	(335,235)	647,682	661,051
492,960		492,960	472,633
289,293		289,293	271,639
795,088		795,088	781,548
74,082		74,082	61,430
149,962		149,962	147,968
1,821,256	(335,235)	2,449,067	2,396,269
346,008		346,008	241,620
344,434		344,434	
$6,521,793	$(1,081,247)	$25,426,027	$23,335,215

Collegiate Division Schedule 6

	1987	1986
Income:		
Provincial Government Grants	$ 421,911	$ 337,255
Student Fees	1,182,191	1,027,670
Other Income	201,976	165,366
Total Income	1,806,078	1,530,291
Expenditure:		
Salaries	1,013,689	984,581
Benefits	80,076	71,317
	1,093,765	1,055,898
Other Expenditure	232,869	201,142
Equipment and Renovations	93,371	80,627
Allocated Costs:		
Library	15,780	15,000
Student Services	27,540	26,200
Administration and General	97,860	92,800
Plant Maintenance	48,840	41,100
Total Expenditure	1,610,025	1,512,767
Net Income, Statement II	$ 196,053	$ 17,524

Ancillary Services

	Bookstore	Residence
Income	$1,509,439	$173,947
Expenditure:		
Salaries and Benefits	148,807	14,039
Cost of Goods Sold	1,186,906	
Supplies and Expenses	35,483	58,597
Maintenance & Administration	31,260	124,380
	1,402,456	197,016
Net Income (Expenditure), Statement II	$ 106,983	$(23,069)
Net Income (Expenditure) 1986	$ 111,059	$(55,439)

Schedule 7

Food Service	Parking	TOTAL	
		1987	1986
$123,767	$77,572	$1,884,725	$1,689,517
		162,846	139,701
		1,186,906	1,062,118
7,713	50,010	151,803	147,109
86,700	27,540	269,880	242,700
94,413	77,550	1,771,435	1,591,628
$ 29,354	$ 22	$ 113,290	$ 97,889
$ 39,940	$ 2,329		

Sponsored Research

Schedule 8

	Balance 31 March 1986	Income	Expenditure	Inter-Fund Transfers	Balance 31 March 1987
Natural Sciences & Engineering	$ 89,588	$ 399,886	$ 432,784	$	$ 56,690
Social Sciences & Humanities	67,751	196,071	132,533		131,289
Institute of Urban Studies	26,011	428,169	526,096	67,529	(4,387)
Others	41,230	50,126	98,269	50,768	43,855
		$1,074,252	$1,189,682	$118,297	
Balance End of Year, Statement II	$224,580				$227,447

Capital

Schedule 9

	1987	1986
Income:		
Government Grants		
Provincial		
Capital Grants	$	$100,000
Miscellaneous Capital Grants	634,923	534,924
Grant for Mortgage	40,055	40,055
	674,978	674,979
Other	17,803	38,955
	692,781	713,934
Expenditure:		
Buildings and Sites		
Athletic Centre	17,803	38,955
MacNamara Hall Renovations	13,865	264,701
	31,668	303,656
Equipment and Renovations	634,923	502,162
Other Expenditure - Mortgage	40,055	40,055
	706,646	845,873
Transfer from Trust and Endowment	13,865	71,295
Transfer from Special Provisions		60,644
Net Change for Year, Statement II	-	-

Special Provisions

	Renovations and Equipment Replacement	Self Insurance	Career Adjustment
Balance Beginning of Year	$ 96,622	$25,000	$125,000
Additions		14,620	
Deductions	84,084	3,026	32,264
Net Change for Year	(84,084)	11,594	(32,264)
Balance End of Year, Statement II	$ 12,538	$36,594	$ 92,736

Schedule 10

Classification Study	Women's Study	Equipment Commitments	Professional Development	Collegiate Development	Total
$ 50,000	$ 20,000	$ 66,000	$15,000	$	$397,622
			7,833	350,000	372,453
28,408	11,205	66,000	12,882		237,869
(28,408)	(11,205)	(66,000)	(5,049)	350,000	134,584
$ 21,592	$ 8,795	-	$ 9,951	$350,000	$532,206

Trust and Endowment Fund

	Scholarships and Bursaries	Mennonite Chair	Other Restricted
Current Accounts			
Additions:			
Gifts, grants & bequests	$ 184,935	$ 75	$135,448
Investment Income	85,236	67,589	40,891
Other Income			43,688
	270,171	67,664	220,027
Deductions:			
Library Books			28,303
Awards	353,634		
Other			49,186
	353,634		77,489
Transfer to Capital Account	(105,053)	8,375	(58,069)
Transfer to Operating Fund		(77,495)	(74,231)
Intrafund Transfers	150,077		
Net Change for Year	(38,439)	(1,456)	10,238
Balance Beginning of Year	513,336	(8,375)	187,798
Balance End of Year	474,897	(9,831)	198,036
Capital Accounts			
Gifts, grants & bequests	12,245		35,000
Net gains on sale of investments			
Transfer from Current Account	105,053	(8,375)	58,069
Balance Beginning of Year	706,981	686,884	363,634
Balance End of Year	824,279	678,509	456,703
Trust Fund Balance	$1,299,176	$668,678	$654,739

Schedule 11

Silver Jubilee Campaign	Unrestricted U of W Fund	Unrestricted General	TOTAL 1987	TOTAL 1986
$ 7,946	$ 55,914	$ 32,594	$ 416,912	$ 473,330
	2,314	211,010	407,040	497,502
			43,688	
7,946	58,228	243,604	867,640	970,832
			28,303	8,305
			353,634	396,124
12,805		100,158	162,149	18,620
12,805		100,158	544,086	423,049
			(154,747)	(17,544)
	(47,664)	(88,944)	(288,334)	(402,856)
		(150,077)		
(4,859)	10,564	(95,575)	(119,527)	127,383
	47,664	1,640,574	2,380,997	2,253,614
(4,859)	58,228	1,544,999	2,261,470	2,380,997
		5,000	52,245	12,035
		175,507	175,507	
			154,747	17,544
		1,357,285	3,114,784	3,085,205
		1,537,792	3,497,283	3,114,784
$(4,859)	$ 58,228	$3,082,791	$5,758,753	$5,495,781
			(Statement I)	(Statement I)

Manitoba

UNIVERSITY OF WINNIPEG PENSION PLAN

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements I and II and Schedule I, of the University of Winnipeg Pension Plan for the fiscal year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University of Winnipeg Pension Plan as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

April 10, 1987,
Winnipeg, Manitoba.

Statement I

UNIVERSITY OF WINNIPEG PENSION PLAN

STATEMENT OF FINANCIAL POSITION

as at 31 December 1986
(with comparative figures for 31 December 1985)

	31 December 1986	31 December 1985
ASSETS		
Cash	$ 462,911	$ 3,018,075
Accrued interest and dividends receivable	375,500	315,774
Due from University of Winnipeg Operating Fund	13,146	9,271
Investments - at cost, Schedule 1	26,183,007	22,009,471
	$27,034,564	$25,352,591
LIABILITIES		
Accounts payable	$ 23,915	$ 2,092,637
Reserve for Pension Benefits, Statement II	27,010,649	23,259,954
	$27,034,564	$25,352,591

Approved on behalf of the Pension Committee

J L Porter

Statement II

UNIVERSITY OF WINNIPEG PENSION PLAN

STATEMENT OF RESERVE FOR PENSION BENEFITS

for the year ended 31 December 1986
(with comparative figures for the year ended 31 December 1985)

	31 December 1986	31 December 1985
ADDITIONS		
Contributions		
Members - regular	$ 806,426	$ 757,695
- voluntary	143,940	164,435
University	806,426	757,695
Investment income	1,836,715	2,041,871
Realized gain on sale of securities	733,734	1,749,738
	4,327,241	5,471,434
DEDUCTIONS		
Payments to or on behalf of members		
Pensions to retired members	264,024	228,887
Death benefits	19,034	8,756
Refunds and transfers to other plans	159,954	102,931
	443,012	340,574
Administrative expenses		
Investment Manager's fees	70,570	4,428
Actuarial fees	11,960	16,731
Administrator's fees	14,615	33,195
Custodial fees	21,292	18,290
Audit and other expenses	15,097	14,194
	133,534	86,838
NET CHANGE	3,750,695	5,044,022
BALANCE AT BEGINNING OF YEAR	23,259,954	18,215,932
BALANCE AT END OF YEAR, Statement I	$27,010,649	$23,259,954

Schedule 1

UNIVERSITY OF WINNIPEG PENSION PLAN

SUMMARY OF INVESTMENTS

as at 31 December 1986
(with comparative figures for 31 December 1985)

	31 December 1986			31 December 1985		
	Cost	Market	% of Cost	Cost	Market	% of Cost
Bonds	$13,049,103	$13,363,154	49.8	$ 9,280,222	$ 9,532,316	42.2
Stocks	9,712,776	10,808,476	37.2	7,153,407	7,468,382	32.5
Mortgages	34,860	34,860	.1	3,605,851	3,892,281	16.4
Short-term	3,386,268	3,386,268	12.9	1,969,991	1,969,991	8.9
Total Investments, Statement I	$26,183,007	$27,592,758	100.0	$22,009,471	$22,862,970	100.0

UNIVERSITY OF WINNIPEG PENSION PLAN

Notes to the Financial Statements

as at 31 December 1986

1. Accounting Policies

These financial statements have been prepared on an accrual basis of accounting. Investments are carried at cost with no amortization of premium or discount.

2. The Pension Plan

The University of Winnipeg Pension Plan is a Trusteed Plan established 1 November 1977. Investors Group Trust Co. Ltd., as Trustee of the Plan, holds the assets of and administers the Pension Plan. The investment manager is Jarislowsky, Fraser Co. Ltd. A Pension Committee supervises the administration of the Plan, monitors the performance of investments, and makes policy recommendations to the Board of Regents.

3. Actuarial Valuation

These financial statements do not take into account actuarial valuations, and therefore do not reflect the financial position of the Plan on an actuarial valuation basis.

An actuarial valuation of the University of Winnipeg Pension Plan was completed as of 31 December, 1984. This valuation showed a surplus of $3,458,000 before the implementation of certain improvements to the plan benefits. The cost of these improvements, according to an actuarial review, has reduced the surplus to $190,000 as of 31 December, 1984. Any unfunded liability that may arise from future valuations will be funded by the University since this is a defined-benefit plan.

4. Administrative Costs

The University provides administrative services at no charge to the Plan.

5. Comparative Figures

Certain 1985 comparative figures have been reclassified to conform with the financial presentation adopted for 1986.

Manitoba

VENTURE MANITOBA TOURS LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Venture Manitoba Tours Ltd. as at March 31, 1987, the statements of operations and deficit and changes in cash position and the schedule of general and administrative expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of Venture Manitoba Tours Ltd. as at March 31, 1987 and the results of its operations and changes in its cash position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

October 9, 1987,
Winnipeg, Manitoba.

Exhibit A

VENTURE MANITOBA TOURS LTD.

Balance Sheet
as at March 31, 1987

	1987	1986
ASSETS		
Current assets:		
Cash	$ 46,790	$ (71,854)
Accounts receivable:		
Trade	181,345	86,119
Government of the Province of Manitoba	-	25,000
Inventories (Note 2)	59,423	87,009
Prepaid expenses	47,331	28,952
Total current assets	334,889	155,226
Fixed assets (Notes 2 and 3)	2,681,620	2,743,037
	$ 3,016,509	$ 2,898,263
LIABILITIES		
Current liabilities:		
Bank indebtedness (Note 4)	$ 1,051,000	$ 1,250,000
Accounts payable and accrued charges	552,563	621,388
Advance deposits	28,779	41,679
Current portion of obligation under capital lease	6,639	5,763
Total current liabilities	1,638,981	1,918,830
Advance from the Government of the Province of Manitoba (Note 5)	-	2,000,000
Obligation under capital lease (Note 6)	6,810	13,439
Total liabilities	1,645,791	3,932,269
SHAREHOLDER'S EQUITY		
Share capital (Note 1):		
Authorized - unlimited number of shares for unlimited maximum aggregate consideration		
Issued and fully paid - 3,643,500 (1986-556,000) shares	3,643,500	556,000
Grant from the Government of the Province of Manitoba (Note 7)	257,910	257,910
Deficit, Exhibit B	(2,530,692)	(1,847,916)
	1,370,718	(1,034,006)
	$ 3,016,509	$ 2,898,263

Exhibit B

VENTURE MANITOBA TOURS LTD.

Statement of Operations and Deficit for the year ended March 31, 1987

	1987	1986
Sales and other income	$ 2,188,640	$ 2,136,010
Cost of sales of food, beverage and gift shop	514,099	433,761
Gross profit	1,674,541	1,702,249
Departmental expenses:		
Salaries, wages and benefits	786,177	715,076
Other	106,357	111,526
	892,534	826,602
Departmental income	782,007	875,647
General and administrative expenses, Schedule 1	1,167,147	1,249,781
Loss before depreciation, amortization and interest expense	385,140	374,134
Depreciation and amortization	149,709	134,802
Interest expense	147,927	290,180
Loss for the year	682,776	799,116
Deficit, beginning of year	1,847,916	1,048,800
Deficit, end of year, Exhibit A	$ 2,530,692	$ 1,847,916

Exhibit C

VENTURE MANITOBA TOURS LTD.

Statement of Changes in Cash Position
for the year ended March 31, 1987

	1987	1986
Cash provided by (used for):		
Operating activities:		
Loss	$ (682,776)	$ (799,116)
Items not involving cash:		
Depreciation and amortization	149,709	134,802
	(533,067)	(664,314)
Net change in non-cash working capital balances	(141,867)	(805,417)
	(674,934)	(1,469,731)
Financing activities:		
Decrease in capital lease	(6,629)	(5,763)
(Decrease) increase in long-term debt	(2,000,000)	1,700,000
Increase in share capital	3,087,500	-
	1,080,871	1,694,237
Investment activities:		
Additions to fixed assets	(88,293)	(991,864)
Increase (decrease) in cash	317,644	(767,358)
Cash less bank indebtedness, beginning of year	(1,321,854)	(554,496)
Cash less bank indebtedness, end of year	$(1,004,210)	$(1,321,854)

Schedule 1

VENTURE MANITOBA TOURS LTD.

Schedule of General and Administrative Expenses for the year ended March 31, 1987

	1987	1986
Administration:		
Salaries, wages and benefits	$ 158,872	$ 135,034
Telephone	79,255	68,635
Legal, accounting and audit	24,237	59,531
Administrative services (Note 2(d))	23,520	29,400
Credit card discount	16,781	22,339
Insurance	24,737	19,052
Miscellaneous	4,443	15,423
Directors' expenses	24,907	14,184
Transportation	9,874	13,855
Equipment rental	11,586	11,261
Printing and stationery	20,859	9,293
Service charges	5,512	5,013
Bad debt expense	5,954	5,114
Postage	2,625	4,092
Membership fees	1,768	2,646
Personnel recruitment	2,223	1,974
Managers' expenses	4,628	1,858
	421,781	418,704
Energy and maintenance:		
Propane and hydro	163,855	165,989
Wages and benefits - maintenance staff	83,540	103,792
Maintenance services - Parks Branch	39,600	39,600
Automobile	13,783	23,743
Repairs	24,235	21,451
Equipment and parts	17,809	18,815
Miscellaneous	6,894	8,092
Air conditioning and refrigeration	2,577	2,895
Furniture	445	64
	352,738	384,441
Recreation department:		
Salaries and benefits	44,663	49,412
Equipment and supplies	5,101	7,109
	49,764	56,521

Schedule 1

VENTURE MANITOBA TOURS LTD.

Schedule of General and Administrative Expenses for the year ended March 31, 1987

	1987	1986
Sales promotion:		
Advertising and promotion	$ 48,393	$ 111,115
Salaries and benefits - marketing staff	65,199	38,443
Printing and stationery	25,508	24,164
Miscellaneous	5,684	7,461
Travel	5,585	3,996
Office accomodation	5,673	2,280
	156,042	187,459
Staff costs:		
Employee meals	96,561	98,510
Staff training	20,927	38,371
Employee transportation	35,110	34,155
Utilities - staff quarters	19,264	16,210
Repairs - staff quarters	10,900	11,510
Rent - staff quarters	4,060	3,900
	186,822	202,656
Total general and administrative expenses, Exhibit B	$ 1,167,147	$ 1,249,781

VENTURE MANITOBA TOURS LTD.

Notes to the Financial Statements
March 31, 1987

1. Status of the Corporation and Nature of its Operations

The Company is incorporated under the Manitoba Corporations Act. The issued share capital is owned by the Minister of Finance of the Government of the Province of Manitoba. On January 28, 1987, the Articles of the Corporation were amended to authorize the issue of an unlimited number of shares for an unlimited maximum aggregate consideration. During the year, 3,087,500 shares were issued to the Government of the Province of Manitoba for consideration of $887,500 in cash and $2,200,000 in settlement of outstanding advances previously made.

The Government of the Province of Manitoba owns the original portion of the Gull Harbour Resort and Conference Centre. The Company operates the resort for its own account, without rental charge, under a lease agreement with the Province. The resort is situated in the Hecla Provincial Park and is not subject to realty taxes.

2. Significant Accounting Policies

(a) Inventories

Inventories are valued at the lower of cost, determined on the first-in-first-out method, and net realizable value.

(b) Fixed assets

The fixed assets, which do not include the original resort owned by the Province of Manitoba, are recorded at cost less applied grant funds and accumulated depreciation. Depreciation, with the exception of automobiles, is calculated on a straight-line basis at rates, shown below, which will amortize the cost over the estimated useful life of the assets.

Building addition	40 years
Furniture and fixtures	2 1/2 to 10 years
Leasehold improvements	2 1/2 to 40 years
Staff quarters	3 to 25 years
Automobiles	30 percent declining balance
Equipment under capital lease	10 years
Parking lot	25 years

(c) Capital Lease

Assets which are acquired by way of long-term leases which are financing in nature are capitalized at fair market value less applied grant funds received and are included as fixed assets in the financial statements. The amounts included in fixed assets in respect of leased assets are at the fair market value (cost) of $31,201 less government grants of $15,600.

(d) Services Provided by the Province

The Government of the Province of Manitoba provides certain management and administrative services without charge to the Company The costs of these services is estimated to be approximately $44,000. These costs are not reflected in these financial statements.

3. Fixed Assets

The fixed assets shown on the balance sheet at March 31, 1987 are:

	1987			1986
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Building addition	$ 1,677,906	$ 107,992	$ 1,569,914	$ 1,604,282
Leasehold improvements	553,406	119,649	433,757	449,046
Furniture and fixtures	537,802	167,874	369,928	384,776
Staff quarters	315,721	49,129	266,592	262,651
Parking lot	28,968	1,738	27,230	28,389
Automobiles	7,518	3,460	4,058	2,193
Equipment under capital lease	15,601	5,460	10,141	11,700
	$ 3,136,922	$ 455,302	$ 2,681,620	$ 2,743,037

4. Bank Indebtedness

The Government of the Province of Manitoba has guaranteed a line of credit for the Company to a maximum of $1,250,000.

5. Advance from the Government of the Province of Manitoba

The Government of the Province of Manitoba approved $2,000,000 to advance to Venture Manitoba Tours Ltd. to assist in financing the resort expansion. As at March 31, 1986 $2,000,000 had been received. During the year, a further $200,000 was approved and received and the total advance of $2,200,000 was converted to share capital.

VENTURE MANITOBA TOURS LTD.

Notes to the Financial Statements
March 31, 1987

6. Capital Lease

The following is a schedule of future minimum lease payments under the capital lease expiring September, 1988, together with the balance of the obligation under the capital lease.

1988	$ 8,133
1989	7,187
Total minimum lease payments	15,320
Less amount representing interest	1,871
Balance of the obligation	13,449
Less current portion	6,639
	$ 6,810

7. Grant from the Government of the Province of Manitoba

In July, 1982, the Company received a conditional grant of $325,000 from the Government of the Province of Manitoba. The conditions are that it is repayable by annual payments of $100,000 from operating profits beginning in the fiscal year ended March 31, 1983, and that the outstanding balance of the grant is subject to interest at 16% per annum. No principal repayments were made during the year.

8. Contingent Liability

The Company is contingently liable for $148,656 in regards to a statement of claim filed by a contractor involving the recently completed addition. No settlement has been reached to date and no provision has been made in the financial statements.

9. Economic Dependence

The Company is economically dependent on the Government of the Province of Manitoba.

10. Comparative Figures

Comparative figures have been restated where necessary to conform with the presentation adopted for the current year.

MEYERS
NORRIS
PENNY & Co.

CHARTERED ACCOUNTANTS

421 - 1st Avenue
Box 760
Neepawa, Manitoba
R0J 1H0
(204) 476-2326

PARTNERS:

R.A. MEYERS, C.A.
D.W.A. NORRIS, C.A.
D.H. PENNY, F.C.A.
R.D. BAKER, C.A.
J.R. MORROW, C.A.
P.E.W. SAWYER, C.A.
N.F. COCHRANE, C.A.
D.L. CANNONS, C.A.
J.E. FINLAYSON, C.A.
D.M. McCONNELL, C.A.
T.D. KIRKUP, C.A.
P.S. ECKERSLEY, C.A.
J.D. STEWART, C.A.
D.L. RITCHIE, C.A.
B.D. PRITCHARD, C.A.
J.G. CRISTALL, C.A.
J.W. McWHIRTER, C.A.

14th July 1987

The Members of the Board
The Whitemud Watershed Conservation District

AUDITORS' REPORT

We have examined the balance sheet of The Whitemud Watershed Conservation District as at 31st March 1987 and the statements of revenue and expenditures and surplus for the period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the District as at 31st March 1987 and the results of its operations for the period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chartered Accountants

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

INDEX TO THE FINANCIAL STATEMENTS

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

AUDITORS' REPORT

STATEMENT 1 - BALANCE SHEET

STATEMENT 2 - STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - SUB-DISTRICT PROGRAM

STATEMENT 3 - STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - GENERAL BOARD PROGRAM

STATEMENT 4 - STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - EQUIPMENT PROGRAM

STATEMENT 5 - STATEMENT OF EARNINGS AND SURPLUS - INVENTORY PROGRAM

STATEMENT 6 - STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - ROSEDALE FARM PROGRAM

STATEMENT 7 - STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - CANADA - MANITIOBA AGRI-FOOD DEVELOPMENT PROGRAM

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT 1

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

BALANCE SHEET AS AT 31ST MARCH 1987

(WITH COMPARATIVE FIGURES AS AT 31ST DECEMBER 1985)

ASSETS	As at 31st March 1987	As at 31st December 1985
CURRENT ASSETS		
Cash	118,502	149,102
Accounts Receivable - NOTE 2	58,989	78,371
Inventory of Supplies	54,246	58,510
Prepaid Expenses and Accrued Interest	404	2,535
	232,141	288,518
FIXED ASSETS - NOTE 3	92,558	40,154
	324,699	328,672
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	41,781	72,427
Customer Deposits	1,212	474
Prepaid Municipal Levies	3,147	
Current Portion of Long Term Debt	2,500	
	48,640	72,901
LONG TERM DEBT		
Lease Payable - NOTE 4	7,700	
Less: Current Portion	2,500	
	5,200	
SURPLUS		
WATERSHED PROGRAMS		
Sub-District Program - Statement 2	17,760	50,017
General Board Program - Statement 3	122,802	78,140
Equipment Program - Statement 4	43,898	49,380
Inventory Program - Statement 5	33,622	33,566
Rosedale Farm Program - Statement 6	9,662	6,400
Canada - Manitoba Agri-Food Development Program - Statement 7	(672)	
Emergency Reserve	30,000	30,000
Sick Leave Reserve - NOTE 5	13,787	8,268
	270,859	255,771
	324,699	328,672

STATEMENT 2

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - SUB-DISTRICT PROGRAM

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

	Willowbend Creek #35	Westbourne Drain #36	Squirrel Creek #37	Pine Creek #38
REVENUE				
Municipal Levies (See Note 7)	24,211	24,550	13,121	21,487
Province of Manitoba	67,559	86,081	40,118	61,774
Province of Manitoba - Flood Assistance	15,947	10,146	4,010	16,708
	107,717	120,777	57,249	99,969
EXPENDITURES				
Crossing Repair	4,163	2,784	1,655	7,705
Weed and Brush Control	4,309	11,189	3,566	9,887
Runway Stabilization	-	-	-	-
Channel Maintenance	19,463	61,717	1,906	1,037
Channel Construction	63,488	25,070	49,675	54,259
Culverts and Structures	-	18,313	-	5,494
Miscellaneous	1,650	-	-	-
Flood Assistance	17,719	11,273	4,455	18,564
	110,792	130,346	61,257	96,946
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,075)	(9,569)	(4,008)	3,023
SURPLUS - BEGINNING OF PERIOD	8,149	15,228	1,808	(525)
SURPLUS (DEFICIT) - END OF PERIOD	5,074	5,659	(2,200)	2,498

THE WHITEMUD WATERSHED CONSERVATION DISTRICT STATEMENT 2

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - SUB-DISTRICT PROGRAM

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

Central Whitemud #39	Upper Whitemud #40	Big Grass Marsh #42	Big Grass River #43	Total for the Fifteen Months ended 31st March 1987	Total for the Year Ended 31st December 1985
27,400	13,816	22,351	44,555	191,491	188,898
135,579	35,110	83,633	211,129	720,983	645,904
1,554		5,938	18,012	72,315	
164,533	48,926	111,922	273,696	984,789	834,802
18,976	-	10,266	14,834	60,383	102,702
13,632	2,875	-	19,418	64,876	34,894
43,701	40,186	-	-	83,887	98,059
-	-	-	28,089	112,212	141,653
12,460	-	27,199	96,817	328,968	184,900
85,090	-	72,525	98,307	279,729	270,711
4,992	-	-	-	6,642	3,255
1,727		6,598	20,013	80,349	
180,578	43,061	116,588	277,478	1,017,046	836,174
(16,045)	5,865	(4,666)	(3,782)	(32,257)	(1,372)
18,769	4,539	2,065	(16)	50,017	51,389
2,724	10,404	(2,601)	(3,798)	17,760	50,017

STATEMENT 3

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - GENERAL BOARD PROGRAM

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

	For The Fifteen Months Ended 31st March 1987	For The Year Ended 31st December 1985
REVENUE		
Province of Manitoba	197,655	173,924
Direct Charges	930	1,545
Interest Earned	14,730	14,469
Individual Contributions	41,866	24,521
Transfer from Equipment Program	55,549	1,044
Agri-Food Canada Share of Equipment	8,109	
	318,839	215,503
EXPENDITURES		
Administrative		
Watershed Manager salary and Expenses	43,345	39,696
Secretary-Treasurer and Secretary Salaries	18,136	12,312
Board Members Remuneration and Expenses	14,748	11,659
Professional Fees	3,975	3,612
Rent	3,000	2,400
Conservation District Authority of Manitoba - NOTE 6	1,584	4,480
Office Supplies	8,311	6,498
Insurance	1,459	1,005
Depreciation	549	439
Public Relations	477	950
Miscellaneous	762	755
Small Tool Purchases	1,298	1,096
Professional Development	2,569	
Bad Debts	410	
	100,623	84,902
Specific Programs		
Forage Crops	95,798	74,041
Shelter belts	33,128	27,016
Shelter Belt Weed Control	14,853	12,484
Wild Lands	6,347	8,232
Grassed Waterways	-	910
Resource Extension and Public Education	22,518	18,361
Demonstations	-	683
	172,644	141,727
Direct Expenses	910	1,485
	274,177	228,114
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	44,662	(12,611)
SURPLUS - BEGINNING OF PERIOD	78,140	90,751
SURPLUS - END OF PERIOD	122,802	78,140

THE WHITEMUD WATERSHED CONSERVATION DISTRICT STATEMENT 4

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - EQUIPMENT PROGRAM

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

	For The Fifteen Months Ended 31st March 1987	For The Year Ended 31st December 1985
REVENUE		
Rentals	58,416	52,266
Gain on Disposal of Equipment	30,000	-
	88,416	52,266
EXPENDITURES		
Fuel and Oil	7,459	8,532
Repairs and Maintenance	8,610	20,561
Insurance and Licences	847	720
Depreciation	18,007	11,365
Wages	3,426	3,234
Transfer to General Board Program	55,549	1,044
	93,898	45,456
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,482)	6,810
SURPLUS - BEGINNING OF PERIOD	49,380	42,570
SURPLUS - END OF PERIOD	43,898	49,380

STATEMENT 5

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF EARNINGS AND SURPLUS - INVENTORY PROGRAM

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

	For the Fifteen Months Ended 31st March 1987	For the Year Ended 31st December 1985
SALES	32,781	22,151
COST OF SALES		
Inventory - Beginning of Period	58,510	33,621
Purchases	23,789	47,166
	82,299	80,787
Inventory - End of Period	54,246	58,510
	28,053	22,277
GROSS PROFIT (LOSS)	4,728	(126)
EXPENDITURES		
Wages	2,610	902
Insurance	201	276
Yard Maintenance	1,463	1,089
Depreciation	398	318
	4,672	2,585
NET EARNINGS (LOSS)	56	(2,711)
SURPLUS - BEGINNING OF PERIOD	33,566	36,277
SURPLUS - END OF PERIOD	33,622	33,566

THE WHITEMUD WATERSHED CONSERVATION DISTRICT STATEMENT 6

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - ROSEDALE FARM PROGRAM

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

	For the Fifteen Months Ended 31st March 1987	For the Year Ended 31st December 1985
REVENUE - Forage Sales	10,473	8,311
1/3 - 1985 Crop Share	1,926	-
	12,399	8,311
EXPENDITURES		
Deer Feeding Program	-	760
Fertilizer and Renovating	4,334	3,803
Miscellaneous	441	296
Harvesting	4,362	3,867
	9,137	8,726
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	3,262	(415)
SURPLUS - BEGINNING OF PERIOD	6,400	6,815
SURPLUS - END OF PERIOD	9,662	6,400

STATEMENT 7

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS

CANADA - MANITOBA AGRI-FOOD DEVELOPMENT PROGRAM

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

	Department of Agriculture - Province of Manitoba	Prairie Farm Rehabilitation Administration	Total
REVENUE			
Department of Agriculture - Province of Manitoba	12,000		12,000
Prairie Farm Rehabilitation Administration		20,925	20,925
	12,000	20,925	32,925
EXPENDITURES			
Critical Area Treatment	2,000	400	2,400
Conservation Tillage		8,085	8,085
Salinity Management		515	515
Shelterbelts	3,568	4,011	7,579
Administration	3,686	1,524	5,210
Equipment Purchases	5,268	2,840	8,108
Equipment Rent		1,700	1,700
	14,522	19,075	33,597
EXCESS OF EXPENDITURES OVER REVENUE	2,522	(1,850)	672
DEFICIT - BEGINNING OF PERIOD	-	-	-
DEFICIT - END OF PERIOD	2,522	(1,850)	672

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

NOTE 1 - ACCOUNTING POLICIES

Entity Definition

The Whitemud Watershed Conservation District was established by an Order-in-Council of the Province of Manitoba on the 22nd March 1972. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the conservation district.

Inventory

Inventory is valued at cost and determined on a first in first out basis.

Fixed Assets

Fixed assets are recorded at cost.

Depreciation

Depreciation is recorded on the straight line method at the following rates:

Building	5%
Fence	5%
Equipment	15%
Pump Equipment	50%

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts Receivable are recorded net of doubtful accounts of $410 as at 31st March 1987 and Nil as at 31st December 1985.

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 1987

NOTE 3 - FIXED ASSETS

The following is a summary of the fixed asset and accumulated depreciation accounts:

	Balance As at 31st December 1985	Additions	Disposals	Balance As at 31st March 1987
FIXED ASSETS				
Land	1,835			1,835
Building	14,783			14,783
Fence	5,339			5,339
Equipment	91,161	71,358	26,090	136,429
Pump Equipment	261			261
	113,379	71,358	26,090	158,647
Accumulated Depreciation				
Building	5,913	924		6,837
Fence	2,536	333		2,869
Equipment	64,515	17,697	26,090	56,122
Pump Equipment	261			261
	73,225	18,954	26,090	66,089
Net Book Value	40,154			92,558

NOTE 4 - LEASE PAYABLE

The lease payable is in regard to the purchase of a weigh wagon with payment through a lease agreement over a four year period. The Canada - Manitoba Agri-Food Development Program will pay eighty-five percent of this lease, with The Whitemud Watershed Conservation District paying the remaining fifteen percent.

NOTE 5 - SICK LEAVE RESERVE

The reserve has been established to recognize the accrual of sick leave of the employees. The employees accrue sick leave at the rate of one and one quarter days per month employed. At 31st March 1987, the aggregate amount of possible claims was $90,755.

NOTE 6 - CONSERVATION DISTRICT AUTHORITY OF MANITOBA

These costs represent an allocation of certain administration expenses of the Conservation District Authority of Manitoba and are fully funded by the Province of Manitoba.

NOTE 7 - COMPARATIVE STATEMENTS

Due to change in policy of The Province of Manitoba the Fiscal year end was changed from 31st December 1986 to 31st March 1987, resulting in a fifteen month period for the current statements.

No portion of 1987 Municipal Levy has been included in Revenue as the majority of matching expenditures were not made until after 31st March 1987.

PEAT
MARWICK

Peat, Marwick, Mitchell & Co.
Chartered Accountants
500 - 363 Broadway Avenue
Winnipeg, Manitoba R3C 3N9
(204) 949-1594

AUDITORS' REPORT

To The Workers Compensation Board of Manitoba:

We have examined the balance sheet (being Exhibit 1) of The Workers Compensation Board of Manitoba as at December 31, 1986 and the accompanying financial statements (being Exhibits 2 to 6) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1986 and the results of its operations and changes in its financial position for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Winnipeg, Canada
March 18, 1987

Peat, Marwick, Mitchell & Co.
Chartered Accountants

EXHIBIT 1

BALANCE SHEET
AS AT DECEMBER 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
Assessments receivable (Note 2)	$ 897,666	$ 471,523
Employees' and sundry accounts receivable	179,361	220,762
Recoverable from:		
The Government of Canada (Note 5)	20,068	(193,336)
Investment in securities as authorized by The Trustee Act, Manitoba, Exhibit 6 (Note 1)	141,930,133	145,345,624
Deposits with The Minister of Finance	31,705,181	20,613,434
Accrued interest on investments	3,010,950	3,107,978
Deferred cost of pension increases (Note 3)	28,565,181	36,346,258
Fixed assets (Note 4)	1,330,414	1,712,382
TOTAL	$207,638,954	$207,624,625

LIABILITIES AND RESERVES

	1986	1985
Bank	$ 1,015,278	$ 986,880
Self-Assurer Funds, Exhibit 4	1,223,616	1,134,622
Accounts payable	230,832	257,337
	2,469,726	2,378,839
Reserves, Exhibit 3 (Note 6)		
Pension Fund	171,786,186	171,000,000
Future cost of existing claims	108,617,554	56,528,503
Equalization Fund	612,530	645,449
Second Injury Fund	7,528,217	1,988,170
Rehabilitation Fund	900,000	1,987,938
	289,444,487	232,150,060
Class G Employers' Funds, Exhibit 4	(84,275,259)	(26,904,274)
TOTAL	$207,638,954	$207,624,625

Approved on behalf of the Board

Chairperson

Commissioner

Commissioner

The accompanying notes are an integral part of these financial statements.

EXHIBIT 2

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1986

(with comparative figures for 1985)

	1986	1985
OPERATING ACTIVITIES:		
Net change in class funds and reserves	$ 12,436	$13,402,875
Add (deduct):		
Items not affecting cash:		
Depreciation	419,108	409,803
Amortization of discount	(199,732)	(192,004)
Change in accrued interest on investments	97,028	33,152
Loss on disposal of investments	344,274	
Increases in legislated pension awards		(22,132,510)
	673,114	(8,478,684)
Net change in non-cash balances relating to operations:		
Assessments receivable	(426,143)	(262,437)
Employees' and sundry accounts receivable	41,401	28,088
Recoverable from the Government of Canada	(213,404)	361,217
Deferred cost of pension increases	7,781,077	11,343,582
Accounts payable	(26,505)	(296,888)
Cash provided by operations	7,829,540	2,694,878
INVESTMENT ACTIVITIES:		
Proceeds on sale or maturity of investments	8,599,298	2,082,245
Purchase of investments	(5,328,350)	
Cash provided by investment activities	3,270,948	2,082,245
Additions to fixed assets	(37,139)	
Increase in cash during the year	11,063,349	4,777,123
Cash and cash equivalents, beginning of year	19,626,554	14,849,431
Cash and cash equivalents, end of year	$30,689,903	$19,626,554
Cash and cash equivalents are comprised of:		
Deposits with the Minister of Finance	$31,705,181	$20,613,434
Bank overdraft	(1,015,278)	(986,880)
	$30,689,903	$19,626,554

The accompanying notes are an integral part of these financial statements.

EXHIBIT 3

STATEMENT OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 1986
(with comparative figures for 1985)

	Pension Fund	Future Cost of Existing Claims	Equalization Fund	Second Injury Fund	Rehabilitation Fund	Self-Assurer Funds (Exhibit 4)	Class G Funds (Exhibit 4)	Total 1986	Total 1985
Balance, beginning of year	$171,000,000	$56,528,503	$645,449	$1,988,170	$1,987,938	$1,134,622	($26,904,274)	$206,380,408	$192,977,533
ADDITIONS:									
Assessments						9,772,426	74,757,128	84,529,554	69,562,457
Interest income	17,180,837	5,767,333	45,222	49,439	146,974	(16,485)	(2,317,480)	20,855,840	19,928,622
Other						14,556	187	14,743	(186,466)
Pension awards	18,055,072							18,055,072	14,110,900
Increase in pension awards provided under legislative change (Note 3)									22,132,510
Allocation of pension surplus (Note 6[a])	(11,159,345)				2,291,977	1,881,768	6,985,600		
Accrual for future costs (Note 6[f])		8,526,715	184,567	4,519,873			(13,231,155)		
	24,076,564	14,294,048	229,789	4,569,312	2,438,951	11,652,265	66,194,280	123,455,209	125,548,023
DEDUCTIONS:									
Compensation			72,173	1,209,720		2,446,810	31,401,427	35,130,130	31,629,517
Medical aid			58,776	282,180		1,528,070	9,994,978	11,864,004	11,148,838
Rehabilitation			38,564	1,073,285	3,526,889	751,215	5,178,453	10,568,406	9,642,922
Pensions	23,290,378							23,290,378	19,948,161
TOTAL BENEFITS PAID	23,290,378		169,513	2,565,185	3,526,889	4,726,095	46,574,858	80,852,918	72,369,438
Pension awards			205,725	2,692,297		3,761,209	11,395,841	18,055,072	14,110,900
Amortization of pension increases (Note 3)									
— Principal						907,574	6,873,503	7,781,077	11,343,582
— Interest						446,955	3,373,086	3,820,041	2,651,794
Administration expenses and other charges, Exhibit 5						1,721,438	11,212,227	12,933,665	11,669,434
	23,290,378		375,238	5,257,482	3,526,889	11,563,271	79,429,515	123,442,773	112,145,148
Change for the period before increase in reserves for future costs	786,186	14,294,048	(145,449)	(688,170)	(1,087,938)	88,994	(13,235,235)	12,436	13,402,875
Increase in reserves for future costs as per actuarial estimates (Note 6[f])		37,795,003	112,530	6,228,217			(44,135,750)		
Net change for the period	786,186	52,089,051	(32,919)	5,540,047	(1,087,938)	88,994	(57,370,985)	12,436	13,402,875
Balance, end of year	$171,786,186	$108,617,554	$612,530	$7,528,217	$900,000	$1,223,616	($84,275,259)	$206,392,844	$206,380,408

The accompanying notes are an integral part of these financial statements.

EXHIBIT 4

STATEMENT OF CLASS FUND OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1986
(with comparative figures for 1985).

	Class "A"	Class "C"	Class "D"	Class "E"	Total Self-Assurer	Class "G"	Total 1986	Total 1985
Balance, beginning of year	$328,780	$419,732	$258,680	$127,430	$1,134,622	($26,904,274)	($25,769,652)	($13,687,882)
ADDITIONS:								
Assessments	1,176,128	1,645,874	3,073,945	3,876,479	9,772,426	74,757,128	84,529,554	69,562,457
Interest income	449	4,249	3,232	(24,465)	(16,485)	(2,317,480)	(2,333,965)	(966,024)
Other			8,626	5,930	14,556	187	14,743	291,252
Allocation of pension surplus (Note 6 [a])	270,759	327,437	662,020	621,552	1,881,768	6,985,600	8,867,368	1,487,261
Accrual for future costs (Note 6 [f])						(13,231,155)	(13,231,155)	
	1,447,386	1,977,560	3,747,823	4,479,496	11,652,265	66,194,280	77,846,545	70,374,946
DEDUCTIONS:								
Compensation	441,654	952,184	927,859	125,113	2,446,810	31,401,427	33,848,237	29,452,612
Medical aid	187,598	293,299	509,994	537,179	1,528,070	9,994,978	11,523,048	10,615,323
Rehabilitation	197,857	168,758	310,713	73,887	751,215	5,178,453	5,929,668	4,585,626
TOTAL BENEFITS PAID	827,109	1,414,241	1,748,566	736,179	4,726,095	46,574,858	51,300,953	44,653,561
Pension awards	284,015	184,579	510,991	2,781,624	3,761,209	11,395,841	15,157,050	12,138,345
Amortization of pension increases (Note 3)								
— Principal	196,218	151,635	346,826	212,895	907,574	6,873,503	7,781,077	11,343,582
— Interest	102,243	58,564	169,889	116,259	446,955	3,373,086	3,820,041	2,651,794
Adminsitration expenses and other charges, Exhibit 5	171,421	302,816	563,668	683,533	1,721,438	11,212,227	12,933,665	11,669,434
	1,581,006	2,111,835	3,339,940	4,530,490	11,563,271	79,429,515	90,992,786	82,456,716
Change for the period before increase in reserves for future costs	(133,620)	(134,275)	407,883	(50,994)	88,994	(13,235,235)	(13,146,241)	(12,081,770)
Inrease in reserves for future costs as per actuarial extimates (Note 6 [f])						(44,135,750)	(44,135,750)	
Net change for the period	(133,620)	(134,275)	407,883	(50,994)	88,994	(57,370,985)	(57,281,991)	(12,081,770)
Balance, end of year	$195,160	$285,457	$666,563	$76,436	$1,223,616	($84,275,259)	($83,051,643)	($25,769,652)

The accompanying notes are an integral part of these financial statements.

EXHIBIT 5

ADMINISTRATION EXPENSES AND OTHER CHARGES

FOR THE YEAR ENDED DECEMBER 31, 1986

(with comparative figures for 1985)

	1986	1985
ADMINISTRATION EXPENSES		
Staff and service costs	$ 7,906,131	$ 6,980,097
Data Processing	1,381,369	1,417,942
Supplies and services	741,174	601,526
Communications	539,488	449,249
Building operations	445,038	421,358
Legislative Review Committee	317,470	32,799
Depreciation	188,755	188,991
Professional Fees	58,240	89,292
Grants	1,000	2,000
TOTAL ADMINISTRATION EXPENSES	11,578,665	10,183,254
OTHER CHARGES (Note 7)		
Charges under The Workplace Safety and Health Act	1,793,189	1,957,829
Expenses of Worker Advisors under Section 91 of The Workers Compensation Act	377,969	385,106
TOTAL OTHER CHARGES	2,171,158	2,342,935
LESS RECOVERIES FROM:		
The Government of Canada for administering its employees' compensation program	694,714	698,205
The Government of The Province of Manitoba for administering The Criminal Injuries Compensation Act	121,444	158,550
TOTAL RECOVERIES	816,158	856,755
TOTAL CHARGED TO CLASSES	$12,933,665	$11,669,434

The accompanying notes are an integral part of these financial statements.

EXHIBIT 6

SUMMARY OF INVESTMENTS
AS AT DECEMBER 31, 1986
(with comparative figures for 1985)

	1986 PAR VALUE	1986 BOOK VALUE	1985 BOOK VALUE
Bonds and debentures issued by, or quaranteed by, the following:			
Province of Manitoba	$ 72,403,000	$ 72,037,049	$ 75,840,418
Government of Canada	10,700,000	10,655,057	11,448,855
Corporations	9,568,500	8,811,248	7,396,450
Hospitals	7,991,000	7,986,343	8,400,078
Municipal Corporations	4,358,000	4,345,737	4,539,236
Province of Ontario	3,300,000	3,314,210	993,190
Province of Quebec	1,315,000	1,295,792	2,740,291
Province of Saskatchewan	250,000	161,560	155,664
Province of Newfoundland	150,000	150,000	150,000
Province of British Columbia			1,033,593
Province of Alberta			249,691
	110,035,500	108,756,996	112,947,466
Mortgages, National Housing Act (Canada)	33,629,312	33,173,137	32,398,158
	143,664,812	141,930,133	145,345,624
Deposits with The Minister of Finance	31,705,181	31,705,181	20,613,434
TOTAL INVESTMENTS	$175,369,993	$173,635,314	$165,959,058

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1986

1. BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual method of accounting except for Self-Assured Class benefit payments and their related reimbursements which are accounted for on a cash basis.

INVESTMENTS

Investments are recorded at cost at the time of acquisition. Discounts or premiums are amortized on a straight-line basis over the term of the investment.

Investment income is allocated to class funds, the pension fund and other reserve funds in accordance with the average monthly balance in each fund.

The market value of the investments is not disclosed since it is the general policy of the Board to normally hold investments until maturity.

FIXED ASSETS

Fixed assets are valued at cost less accumulated depreciation. The building is depreciated as provided under Section 78 (15) of The Workers Compensation Act. All other assets are depreciated on a straight line basis over the noted period:

Building Renovations	10 years
Automobiles	5 years
Furniture and Fixtures	5 years
Leasehold Improvements	5 years
Computer System Development	3 years

Capital acquisitions are expensed in the period they are purchased unless they are of a significant value and will benefit a number of periods.

2. ASSESSMENTS RECEIVABLE

Assessments receivable consist of the following accounts:

	1986	1985
Assessments billed and outstanding	$1,422,666	$741,523
Less: Allowance for doubtful accounts	525,000	270,000
Assessments receivable, December 31	$ 897,666	$ 471,523

3. LEGISLATED PENSION AMENDMENTS

Amendments to The Workers Compensation Act have provided for increases in pension benefits with the cost of these increased benefits to be recovered from the general body of employers and self assured over a seven year period from the effective date of the amendment. The interest rate associated with the amendments is established at the time the amendments become effective and currently range from 9% to 10.75%. Details of the cost of these amendments are as follows:

	1985 AMENDMENTS	1983 AND EARLIER AMENDMENTS	TOTAL
Cost of benefits increases	$22,132,510	$59,978,512	$82,111,022
Less: Charged to special funds	—	964,590	964,590
Balance chargeable to class funds	22,132,510	59,013,922	81,146,432
Recoveries, 1979 to 1985 inclusive	5,243,026	39,557,148	44,800,174
	16,889,484	19,456,774	36,346,258
Recoveries, 1986	2,147,948	5,633,129	7,781,077
Balance, December 31, 1986	$14,741,536	$13,823,645	$28,565,181

4. FIXED ASSETS

Fixed assets are comprised of the following items:

	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE DECEMBER 31 1986	NET BOOK VALUE DECEMBER 31 1985
Building & Additions	$1,572,298	$ 721,208	$ 851,090	$ 886,139
Building Renovations	229,168	68,753	160,415	183,332
Automobiles	38,372	30,698	7,674	15,349
Furniture & Fixtures	361,685	217,012	144,673	217,011
Computer System Development	821,103	684,252	136,851	410,551
Leasehold Improvements	37,139	7,428	29,711	—
	$3,059,765	$1,729,351	$1,330,414	$1,712,382

5. GOVERNMENT EMPLOYEES COMPENSATION ACT

Under the Government Employees Compensation Act (Canada) accident claims of employees of the Government of Canada, usually employed in Manitoba, are administered by the Workers Compensation Board. The $20,068 recoverable from the Government of Canada represents the balance receivable under the Government Employees Compensation Act (Canada).

6. RESERVES

(a) THE PENSION FUND

Capitalized values of pensions awarded are credited to the Pension Fund Reserve, which is then charged with pensions paid. An actuarial review of the Pension Fund was completed as at December 31, 1985 which confirmed the adequacy of the Reserve. The present capitalized values are based upon an update of the factors utilized in the December 31, 1985 review. This produced a surplus of $11,159,345 which was allocated to the Rehabilitation Fund, Self-Assured Funds and Class G Employers' Funds.

In calculating the present value of the pension fund reserve no provision is made for potential future legislative amendments to The Workers Compensation Act which would provide increases in future pension benefits. As described in note 3, the cost of legislative pension amendments is deferred in the year awarded and recovered from the general body of employers and self-assurers over a seven year period from the effective date of the amendment.

(b) FUTURE COST OF EXISTING CLAIMS

This fund is established to meet the anticipated amount required to pay future compensation, medical aid, pensions and rehabilitation costs of claims reported in 1986 and earlier.

(c) EQUALIZATION FUND

Established to meet the future costs arising from an extraordinary circumstance.

(d) SECOND INJURY FUND

Established to meet the future costs of claims for workers suffering enhanced disabilities due to pre-existing conditions or disabilities.

(e) REHABILITATION FUND

Established to meet the cost of vocational training and other rehabilitation measures and for temporary disability benefits for Rehabilitation claims having occurred prior to January 1, 1983. Rehabilitation costs incurred after this date are provided for in the Future Cost of Existing Claims.

(f) CHANGES IN RESERVES FOR FUTURE COSTS

Prior to the completion of an actuarial review, an accrual for future costs in the amount of $13,231,155 was recorded to increase the reserves for Future Costs of Existing Claims, Equalization Fund and Second Injury Fund. An actuarial review of the reserves for future costs was completed in February, 1987, and based upon the results of this review the reserves for future costs were increased by an additional $44,135,750.

7. OTHER CHARGES

Under the provisions of The Workplace Safety and Health Act, the Province may pay the expenses incurred in the administration of that Act out of the Consolidated Fund and may recover such portion as may be determined from the class funds under The Workers Compensation Act. For 1986 the amount charged under this provision was $1,793,189 (1985 — $1,957,829).

Also, under the provisions of Section 91 (3) of The Workers Compensation Act, the Province may pay the costs incurred in respect to Worker Advisors and may recover them from class funds. For 1986, the amount charged under this provision was $377,969 (1985 — $385,106).

8. EMPLOYEE PENSION PLAN

The Employee Pension Plan was last valued at January 1, 1985. An actuarial certificate issued that date showed the plan to be fully funded. The next review is planned during 1987.

An agreement between the Province of Manitoba and the Workers Compensation Board of Manitoba allows certain employees to remain in the Civil Service Superannuation Fund instead of the Employee Pension Plan. In accordance with the provisions of the Manitoba Civil Superannuation Act, the Board contributes 50% of the pension disbursements made to these employees. Such payments are charged to income as incurred and a provision is not made in the accounts to fund current or past service obligations of the Board to the Civil Service Superannuation Fund. On the basis of the most recent actuarial report, the unfunded provision for the Board's employees amounted to approximately $354,500 as at December 31, 1983.

9. LEGISLATIVE REVIEW COMMITTEE

Government has appointed a committee under Section 100 of The Workers Compensation Act to review the compensation system in Manitoba. It is possible that certain recommendations, if implemented by the Government, will have an effect on the future financial position of the Board and on its future operations. As release of the Review Committee's report is still pending, any future effects on the Board are not determinable at this time.

10. Certain prior year comparative figures have been reclassified to conform with the current year's presentation.

Manitoba

THE WORKPLACE INNOVATION CENTRE

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Workplace Innovation Centre for the fiscal periods ended March 31, 1986 and 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Workplace Innovation Centre as at March 31, 1986 and 1987 and the results of its operations for the periods then ended in accordance with the accounting policies stated in note 2 to the financial statements consistently applied during the periods.

J. W. Singleton, CA,
Assistant Provincial Auditor.

June 10, 1987
Winnipeg, Manitoba.

Exhibit A

THE WORKPLACE INNOVATION CENTRE

Balance Sheet
as at March 31, 1986 and March 31, 1987

Assets

	1987	1986
Current		
Cash on hand and in bank	$ 68,758	$ -
Funds on deposit with the Minister of Finance	150,176	38,969
Accrued interest receivable	1,192	-
Prepaid expenses	4,043	-
	224,169	38,969
Fixed, at cost (Note 2b)		
Furniture and equipment	53,995	-
Leasehold improvements	7,483	-
	61,478	-
	$ 285,647	$ 38,969

Liabilities & Fund Balance

	1987	1986
Current		
Accounts payable	$ 6,651	$ 301
Total liabilities	6,651	301
Investment in fixed assets (Note 2b)	61,478	-
The Workplace Innovation Centre Fund - Funds retained for working capital and future operations:		
Balance, beginning of year	38,668	-
Excess of revenues over expenditures for the period, Exhibit B	178,850	38,668
Balance, end of year	217,518	38,668
	$ 285,647	$ 38,969

Exhibit B

THE WORKPLACE INNOVATION CENTRE

Statement of Revenues and Expenditures
for the period February 1, 1986 to March 31, 1986
and the year ended March 31, 1987

	1987	1986
Revenues:		
Grants received from the Government of the Province of Manitoba - Jobs Fund (Note 3)	$ 360,000	$ 40,000
Interest	10,144	-
	370,144	40,000
Expenditures:		
Accounting and audit	3,700	-
Board travel and expenses	5,408	1,245
Conference and seminar presentations	11,451	-
Consultant's fees and expenses	3,673	-
Equipment and furnishings	53,995	-
Equipment rental, maintenance and repairs	3,329	-
Leasehold improvements	7,483	-
Miscellaneous	740	40
Office supplies, printing and postage	8,229	47
Rent - office and parking	13,694	-
Salaries and benefits	64,206	-
Staff recruitment and development	8,848	-
Staff travel and expenses	4,270	-
Telephone	2,268	-
	191,294	1,332
Excess of revenues over expenditures, Exhibit A	$ 178,850	$ 38,668

THE WORKPLACE INNOVATION CENTRE

Notes to Financial Statements
March 31, 1987

1. Incorporation and Function

The Workplace Innovation Centre was established in 1985 by an Act of the Legislature, Chapter 18, Bill 40, The Workplace Innovation Centre Act. It commenced operations on February 1, 1986.

The Centre was established to address the human dimension of technological change through the involvement of business, labour, education, government and the community in innovative ways of working together to promote the principle of equitable distribution of the risks and rewards of technological change.

2. Accounting Policies

a) General

The accompanying financial statements have been prepared on an accrual basis, except that purchases of fixed assets are charged to operations in the year of acquisition.

b) Fixed Assets

The balance sheet reflects fixed assets at cost with a corresponding credit to "Investment in fixed assets". The Centre's policy is to remove the cost of all physical assets from the accounts which have

- become obsolete during the year,
- been sold or otherwise disposed of during the year, or
- in the case of leasehold improvements, a full write-off will be recorded at the termination of the lease period, including any renewal option periods.

3. Funding Authority

The Government of the Province of Manitoba approved $1,200,000 funding to the Centre over three years from the Jobs Fund. Of this amount, $1,000,000 is to be provided from the MGEA Trust Fund, as approved by the Economic Resource Investment Committee/Jobs Fund Board. At March 31, 1987, $400,000 has been received by the Centre from the MGEA Trust Fund.